

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 2, 2023

RATING: S&P: "AA"
(See "RATING" herein)

NEW ISSUE

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the City (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 ("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.

\$13,594,000*
CITY OF WOODBURY
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023
Consisting of:
\$8,240,000* General Improvement Bonds
\$5,354,000* Water and Sewer Utility Bonds
(Book-Entry-Only) (Callable)

Dated: Date of Delivery

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

The City of Woodbury, County of Gloucester, New Jersey ("City"), is issuing \$13,594,000* aggregate principal amount of its General Obligation Bonds, Series 2023 ("Bonds"). The Bonds consist of: (i) \$8,240,000* aggregate principal amount of General Improvement Bonds; and (ii) \$5,354,000* aggregate principal amount of Water and Sewer Utility 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 City, or its hereafter designated paying agent. Interest on the Bonds is payable semi-annually on May 1 and November 1, commencing May 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 2306-19, 2311-19, 2312-19, 2313-19, 2315-19, 2316-19, 2329-20, 2330-20, 2332-20, 2360-22, 2380-22, 2381-22, 2385-23, 2387-23, and 2388-23, each duly and finally adopted by City Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the City Council on October 16, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on November __, 2023.

The Bonds are being issued by the City to provide funds, along with other available monies, that 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 City, dated November 29, 2022 and maturing on November 28, 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 City are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the City payable as to principal and interest from ad valorem taxes that shall be levied upon all taxable property within the City 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 City, and certain other conditions described herein. Certain legal matters will be passed upon for the City by its Solicitor, Timothy D. Scaffidi, Esquire, Woodbury, New Jersey. Acacia Financial Group, Inc., Mount Laurel, 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 November 22, 2023.

ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON NOVEMBER 9, 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 City 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 City will deliver a final Official Statement within seven business days following such sale.

\$13,594,000*
CITY OF WOODBURY,
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023
Consisting of:
\$8,240,000* General Improvement Bonds
\$5,354,000* Water and Sewer Utility Bonds

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

<u>Year</u> <u>(Nov. 1)</u>	<u>General</u> <u>Improvement*</u>	<u>Water & Sewer</u> <u>Utility*</u>	<u>Total*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
				%	%	
2024	\$325,000	\$154,000	\$479,000			
2025	325,000	150,000	475,000			
2026	370,000	150,000	520,000			
2027	385,000	150,000	535,000			
2028	400,000	150,000	550,000			
2029	415,000	150,000	565,000			
2030	435,000	150,000	585,000			
2031	455,000	150,000	605,000			
2032	475,000	150,000	625,000			
2033	500,000	150,000	650,000			
2034	520,000	150,000	670,000			
2035	545,000	150,000	695,000			
2036	570,000	150,000	720,000			
2037	595,000	150,000	745,000			
2038	625,000	150,000	775,000			
2039	650,000	155,000	805,000			
2040	650,000	165,000	815,000			
2041	0	175,000	175,000			
2042	0	180,000	180,000			
2043	0	190,000	190,000			
2044	0	200,000	200,000			
2045	0	210,000	210,000			
2046	0	220,000	220,000			
2047	0	235,000	235,000			
2048	0	245,000	245,000			
2049	0	260,000	260,000			
2050	0	275,000	275,000			
2051	0	290,000	290,000			
2052	0	300,000	300,000			

* 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 City 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.

**CITY OF WOODBURY
COUNTY OF GLOUCESTER, NEW JERSEY**

Elected Officials

Kyle Miller	Mayor
William H. Fleming	Council President/Second Ward
Danielle Carter	First Ward
Donna Miller	First Ward
Jo Miller	First Ward
Frances Harwell	Second Ward
Norlyn Garlic	Second Ward
Philip D. Hagerty	Third Ward
Robert Johnson	Third Ward
Sam Ferraino	Third Ward

City Administrator

John Leech

Chief Financial Officer

Robert Law

City Clerk

Cassidy Swanson

City Solicitor

Law Office of Timothy D. Scaffidi, Esquire
Woodbury, New Jersey

City Auditor

Bowman & Company LLP
Woodbury and Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

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

No broker, dealer, salesperson or other person has been authorized by the City 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 City 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 City. 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 City 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 City 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

\$13,594,000*

CITY OF WOODBURY

COUNTY OF GLOUCESTER, NEW JERSEY

GENERAL OBLIGATION BONDS, SERIES 2023

Consisting of:

\$8,240,000* General Improvement Bonds

\$5,354,000* Water and Sewer Utility Bonds

(Book-Entry-Only) (Callable)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the City of Woodbury in the County of Gloucester, New Jersey ("City"), in connection with the issuance and sale of \$13,594,000* aggregate principal amount of its General Obligation Bonds, Series 2023 (the "Bonds"). The Bonds consist of: (i) \$8,240,000* aggregate principal amount of General Improvement Bonds; and (ii) \$5,354,000* aggregate principal amount of Water and Sewer Utility Bonds. This Official Statement has been executed by and on behalf of the City 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"); (ii) various bond ordinances duly and finally adopted by the City Council; and (iii) bond ordinances, 2306-19, 2311-19, 2312-19, 2313-19, 2315-19, 2316-19, 2329-20, 2330-20, 2332-20, 2360-22, 2380-22, 2381-22, 2385-23, 2387-23, and 2388-23 (collectively, the "Bond Ordinances"), each duly and finally adopted by City Council and published in accordance with the requirements of the Local Bond Law; (iv) a resolution adopted by the City Council on October 16, 2023; and (v) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on November __, 2023.

The Bonds are being issued by the City to provide funds, along with other available monies of the City, that 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 City, dated November 29, 2022 and maturing on November 28, 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

General Improvement Bonds

Ordinance Number	Purpose	Bonds/Notes Authorized	Notes Outstanding	Available Funds	Bonds to be Issued
2311-19	Reconstruction and/or Repair of Stormwater Drainage System	\$1,140,000	\$1,140,000	\$0	\$1,140,000
2315-19	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	2,658,309	2,650,000	0	2,650,000
2329-20	Completion of Various Capital Improvements	807,500	807,500	0	807,500
2332-20	Supplemental Funding for the Reconstruction of Broad Street Dam	237,500	237,500	0	237,500
2360-22	Various General Capital Improvements	774,250	774,250	250	774,000
2312-19	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	950,000	0	0	950,000
2380-22	Acquisition of Various Capital Equipment	76,000	0	0	76,000
2388-23	Acquisition of Various Capital Equipment	1,605,500	0	0	1,605,000
TOTAL		\$8,249,059	\$5,609,250	\$250	\$8,240,000

Water and Sewer Utility Bonds

Ordinance Number	Purpose	Bonds/Notes Authorized	Notes Outstanding	Available Funds	Bonds to be Issued
2306-19	Various Water and Sewer Improvements	\$250,000	\$250,000	\$0	\$250,000
2313-19	Various Water and Sewer Improvements	860,000	860,000	0	860,000
2316-19	Various Water and Sewer Improvements	1,420,000	1,420,000	0	1,420,000
2330-20	Various Water and Sewer Improvements	750,500	750,500	0	750,500
2381-22	Various Water and Sewer Improvements	878,750	0	0	878,500
2385-23	Various Water and Sewer Improvements	190,000	0	0	190,000
2387-23	Various Water and Sewer Improvements	1,005,000	0	0	1,005,000
TOTAL		\$5,354,250	\$3,280,500	\$0	\$5,354,000

Total

	Bonds/Notes Authorized	Notes Outstanding	Available Funds	Bonds to be Issued
TOTAL	\$13,603,309	\$8,889,750	\$250	\$13,594,000

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 May 1 and November 1 (each an "Interest Payment Date"), commencing May 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 November 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 City, or its hereafter designated paying agent. 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 City for such purpose at the offices of the City, or its hereafter designated paying agent, 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 City.

Optional Redemption

The Bonds maturing on and after November 1, 2032 are subject to redemption prior to their stated maturity dates at the option of the City, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the City shall determine and within any such maturity by lot) on any date on or after November 1, 2031, 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 City, or its hereafter designated paying agent. 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 City. Accordingly, the City 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 City, or its hereafter designated paying agent, 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 City, or its hereafter designated paying agent, 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 City, or its hereafter designated paying agent, 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 City, or its hereafter designated paying agent, 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 City. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City 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 City believes to be reliable, but neither the City nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE CITY NOR ITS HEREAFTER DESIGNATED PAYING AGENT, 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 City, or its hereafter designated paying agent; (ii) the transfer of the Bonds may be registered on the books maintained by the City, or its hereafter designated paying agent, for such purposes only upon the surrender thereof to the City, or its hereafter designated paying agent, together with the duly executed assignment in form satisfactory to the City, or its hereafter designated paying agent; and (iii) for every exchange or registration of transfer of the Bonds, the City, or its hereafter designated paying agent, 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 City and the City 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 City 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 City 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 CITY

General

General information concerning the City, 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 compiled financial statements of the City for the year ended December 31, 2022 and also contains audited financial statements of the City for the years ended December 31, 2021, 2020, 2019, 2018 and 2017. The financial data was extracted from the report prepared by Bowman & Company LLP, Woodbury and Voorhees, New Jersey ("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 City.

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 City 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 City 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 City, 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 City 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 City 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 City or substantially reduce the ability of the City 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 City 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 City 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 City.

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 City'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, 2021 is on file with the City Clerk and is available for review during business hours, and is available online at the City's website: www.woodbury.nj.us.

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 City to levy *ad valorem* taxes upon all taxable real property within the City 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) and 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 City 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 City to levy *ad valorem* taxes upon all taxable real property within the City 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 CITY 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 83.49%. 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 City occurred in the year 2020 and was effective for the tax year 2021.

Upon the filing of certified adopted budgets by the City, the 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 City are periodically assigned to the City 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 ("Rule"), the City 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.

In the past five (5) years, the City has been late in filing its annual financial information for the years ended 2019 through and including 2021. Notices of failure to file have been posted on EMMA. The City has retained Acacia Financial Group, Inc. to serve as Dissemination Agent to assist with future compliance with the Rule.

LITIGATION

To the knowledge of the City Solicitor for the City, Timothy D. Scaffidi, Esquire, Woodbury, New Jersey ("City Solicitor"), 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 City or the title of any of the present officers. Moreover, to the knowledge of the City Solicitor, no litigation is presently pending or threatened that, in the opinion of the City Solicitor, would have a material adverse impact on the financial condition of the City if adversely decided. A certificate to such effect will be executed by the City Solicitor 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 City, assuming continuing compliance by the City 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 ("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 City'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 City 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 City has *not* 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 City.

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 City.

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 City received \$1,025,124 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 City 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 City 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 City 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 City.

Cyber Security

The City relies on a large and complex technology environment to conduct its various operations. As a result, the City 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 City has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the City has an extensive security system in place, including network firewalls, security operations center (SOC), endpoint detection and Response (EDR) antivirus protection, extensive password requirements, multi-factor authentication where available 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 cyber security training. In addition, the City maintains cyber liability insurance coverage to protect them in the event of cyber-attacks or other IT-related incidents. Finally the City also has signed up for services with Cybersecurity & Infrastructure Security Agency (CISA) such as Web Application Scanning (WAS) and as well as vulnerability and penetration testing for additional support in making sure we are actively exploring potential intrusion threats and addressing the accordingly.

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 City 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 City.

UNDERWRITING

The Bonds have been purchased from the City at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated November __, 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

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as municipal advisor to the City (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 City 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 City by the City Solicitor.

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 City, including the Bonds, and such Bonds are authorized security for any and all public deposits.

PREPARATION OF OFFICIAL STATEMENT

The City 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 City upon issuance and delivery of the Bonds.

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

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 Municipal Advisor 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 "MUNICIPAL ADVISOR") and, accordingly, will express no opinion with respect thereto.

The Auditor 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. The Auditor only takes responsibility for the financial statements, appearing in Appendix "B".

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Robert Law, Chief Financial Officer, City of Woodbury, 33 Delaware Street, Woodbury, New Jersey 08096, (856) 845-1300 or to Brittany Whelan, Senior Vice President, Acacia Financial Group, Inc., 6000 Midlantic Drive, Suite 410 North, Mount Laurel, New Jersey 08054, (856) 234-2266.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers of 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 City since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

**CITY OF WOODBURY, COUNTY OF
GLOUCESTER, NEW JERSEY**

**By: _____
Robert Law, Chief Financial Officer**

Dated: November __, 2023

APPENDIX A

**GENERAL INFORMATION REGARDING THE
CITY OF WOODBURY**

GENERAL INFORMATION REGARDING THE CITY OF WOODBURY

Overview

The City of Woodbury ("City"), County of Gloucester ("County"), New Jersey had its beginning in 1683 and was incorporated in 1871. The City is considered one of the oldest "small cities" in the United States, and is surrounded by the communities of National Park, West Deptford, Woodbury Heights, Wenonah, Mantua, East Greenwich, Deptford and Westville.

Covering an area of 2.13 square miles, the City is primarily a residential community with approximately 4,073 dwelling units and 9,963 residents, according to the 2020 US Census.

One important feature of the City is the extent of volunteer public participation in its civic affairs. The Library Board, Historic Preservation Commission, Human Rights Commission, Board of Health and Planning/Zoning Boards are staffed entirely by appointed City residents.

City Government

The City's government is based on a City Council form of government, which exercises legislative power in the City. Members of the City Council serve three-year terms, staggered to provide continuity in the government. The Mayor is elected by the voters and is elected to a two-year term.

The day-to-day administrative duties are the responsibility of the City Administrator, who is appointed by the City Council. The City Administrator keeps City Council informed as to the conduct of City affairs, and the welfare and future needs of the City.

The financial affairs of the City are administrated by the Chief Financial Officer, who reports to City Council. Along with the City Administrator, the Chief Financial Officer prepares and then monitors the annual budget after adoption by City Council.

Growth and Development

In 2008, the City adopted a Redevelopment Plan for the Broad Street Commercial Business District ("District") the entire length of the City. The Redevelopment Plan designates specific projects to revitalize the District. It also gives the City the ability to assemble parcels to create new circulation infrastructure that will allow the City to grow while improving mobility and accessibility. The Plan has spurred much interest in the City. The City has identified priority sites and is currently speaking with redevelopers to implement the Redevelopment Plan projects and to create mixed-use infill to complement the 2014 redeveloped Green Block Building at Broad & Centre Streets. GG Green's Block is a historic building that was slated for demolition but instead, was renovated into a 50-unit affordable senior apartment complex with four retail units. The living space and three retail units are already filled. Similarly, in 2015, a former Masonic Lodge on Broad Street was revamped as office space and now houses 40 employees. The City is currently looking to expand the redevelopment area to include parts of the northeast section of the City. The City commissioned a market rate housing study to help attract future developers, and has updated our Fair Share Housing report showing that we are in compliance with the State of New Jersey's COAH requirements.

In late 2017, much of the northern portion of the City of Woodbury was designated as a Federal Opportunity Zone. The designation is intended to spur private investment in redevelopment projects in low- to moderate-income areas. Numerous projects are being developed and marketed in the Opportunity Zone, including the area surrounding one of the proposed stops on the light rail extension into Woodbury (see below). These two factors - being located in a designated Opportunity Zone and included in the Redevelopment Plan - have created an environment that has spurred developer interest in potential investment from a number of industry sectors.

The 100 block of Broad Street, also known as "Block 75" because of its tax designation, has received significant investment by the City. The initiative to purchase property in this block in order to create a unified redevelopment plan controlled by the City has been underway for nearly two years and has attracted numerous developers to the project. Woodbury City officials are currently negotiating a redevelopment agreement with a private developer for market rate housing and retail establishment with an estimate project cost of \$75 Million.

The City is proud to be part of the State of New Jersey Neighborhood Preservation Program (NPP) and in 2020, created the South Woodbury Neighborhood Implementation Plan. The plan involves the community and is having a positive impact to the businesses in the NPP district. The City has also become a destination for a variety of ethnic based restaurants from Italian and Mexican to Pho and Soul Food. There are over 30 different eateries throughout Woodbury. In 2023, one (1) cannabis retail business has opened in the City, and two (2) more are in the process of opening. The City anticipates that the new cannabis retail businesses will generate significant additional revenues to aid its budget.

The State of NJ has committed \$500 million in funds to extend passenger rail service to Woodbury in the next five to seven years. This light-rail line would connect Woodbury to Philadelphia and Trenton, via Camden through an existing rail right-of-way, and link the City to the entire Northeast corridor. Long range plans are to extend the rail southward to Glassboro's Rowan University. There are two planned stops along the line in Woodbury, at Red Bank Avenue and Cooper Street. These stations will improve access and bring value to both the area surrounding Inspira Medical Center and the traditional "downtown". Given the successes of similar towns surrounding the "River Line" light rail from Camden to Trenton, this should bode well for Woodbury's resurgence.

With the anticipation of the light-rail, the DVRPC has awarded the City a TCDI grant to study the feasibility of creating a transit hub at the Red Bank site. This area is also part of the redevelopment plans currently being reviewed by several developers in association and partnership with the redevelopment plans for the Inspira Medical Center site.

The City is also in the process of conducting a transit-oriented business study to better understand best practices related to development surrounding transit hubs such as the proposed light-rail stops being planned for Woodbury. The study will investigate other similar hubs both nationwide and in the northeast region to understand how best to move forward with plans to create retail and residential development centered around rail access.

Gloucester County in recent years has recommitted to maintaining Woodbury as the center of County government. They have expanded the Justice Complex on Hunter Street to include Family Court, completed a new 6-story parking garage and renovated the former Family Court building to house the Commissioners' and Administration offices. Numerous other capital projects are being carried out throughout the City. This will ensure the health of the many private practice law offices that populate Woodbury. The fact that Woodbury remains the centers of government, law and medicine in the County indicates good prospects for future employment.

Transportation

An efficient system of highways, railroads and airlines is readily accessible to those residing and working in the City. Interstate 295, the North South Freeway (Route 42), State Highway 55, and the Atlantic City Expressway all reinforce the New Jersey Turnpike System. The City's highway system is augmented by its close proximity to the Benjamin Franklin Bridge, Walt Whitman Bridge, Commodore Barry Bridge and Delaware Memorial Bridge, which link New Jersey to Pennsylvania and Delaware. These modern highways and bridges provide easy access to all points in the Greater Delaware Valley, northern Delaware, and southern New Jersey. The Philadelphia International Airport is only twenty (20) minutes away by automobile. A recent traffic study revealed that the Broad Street corridor through downtown Woodbury is traveled by an estimated 19,000 vehicles per day.

The Delaware River Port Authority ("DRPA"), the New Jersey-Pennsylvania bi-state authority that operates the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges, also operates a high speed rail transit system that transports several thousand New Jersey residents into Philadelphia each day. The DRPA operates the transit system as the Port Authority Transit Company ("PATCO"). City residents who use the PATCO system are able to travel to their destinations in Camden and center city Philadelphia within twenty minutes. The DRPA, in conjunction with the New Jersey Department of Transportation, has committed funds to begin the first phase of extending a new PATCO Transit Train Line from Camden, thru Woodbury, with an ultimate termination in Glassboro at Rowan University. The City will benefit immensely from this transit expansion, since the City will be equipped with two train stops.

In addition to the PATCO rail system, the City is also served by New Jersey Transit, which operates buses throughout the County offering transit into Philadelphia and throughout the State. As part of the above noted commitment, New Jersey Transit and PATCO also propose a dedicated Bus Transit Corridor, to improve transit capabilities thru the county area, thus improving transit efficiency for the City.

Water and Sewer

Water and sewer facilities are City owned and managed by a Committee of City Council. Final disposal of sewerage is by contract with the Gloucester County Utilities Authority.

Utilities

Gas service is provided by Public Service Electric and Gas Company. Electric service is provided by Public Service Electric and Gas Company and Atlantic Electric.

Police

Police protection is offered through thirty-four (34) full-time Officers, and eight (8) part-time Special Law Enforcement Officers. The Police Department is supervised by a Chief, one (1) Captain and two (2) Lieutenants, who are assisted by three (3) full-time clerical and evidence staff. The Police Department is an accredited department, participates in Community Policing and also has a bicycle patrol. The department has two (2) active K-9 Officers with partners. Effective July 21, 2023, the City entered into a shared services agreement to provide police services to the Borough of Woodbury Heights providing a savings to both municipalities and better services to the Woodbury Heights community.

Public Works

The Public Works Department ("Department") consists of thirty-three (33) full-time and two (2) part-time employees, and five (5) administrative staff. The Department is responsible for trash collection, recyclables, water and sewer operation and the maintenance and repair of City-owned property, local roads and recreational areas.

Fire and Ambulance Services

Fire protection is provided through the Woodbury Fire Department and one (1) volunteer fire company, with one (1) building strategically placed within the city boundary. There are three (3) paid career firefighters and twenty-seven (27) part-time firefighters. They operate three (3) firefighting apparatus and one (1) fire utility vehicle. The City's ambulance service is provided through an interlocal services agreement with Gloucester County Emergency Medical Service.

Library

The City has one (1) municipally supported free public library, which is run by a seven (7) member Board of Trustees made up of local residents and professionals. The Library is a member of LOGIN, a consortium of twenty-three (23) libraries in Gloucester, Salem & Cumberland Counties. A Woodbury Library card can be used at all LOGIN libraries with no fee.

Parks and Recreation

The City is home to a park and lake system of 200+ acres which features the following:

- Seven (7) Baseball Fields
- Three (3) Soccer Fields
- Five (5) Basketball Courts
- One (1) Tennis Court
- Two (2) Pickle Ball Courts and a Futsal Court
- One (1) Midget Football Field
- Through an Inter-Local Service Agreement with the Board of Education of the City of Woodbury, residents have access to a running/walking track located at the high school stadium.

The Parks System offers both active and passive recreational opportunities.

Health Care

Inspira Medical Center ("Medical Center"), a nonprofit hospital, is located in the City and is continuing with its ER facility after the December 2019 move to Mullica Hill, NJ. The former hospital site is still owned by Inspira and is currently being marketed for redevelopment. The redevelopment is expected to include mixed-use transit oriented development and the project investment is estimated at \$125 Million.

Affiliated with Rowan University School of Osteopathic Medicine and Jefferson University located in Philadelphia and accredited by the Joint Commission, the Medical Center is Gloucester County's largest employer with over 1,800 full and part time employees. The Medical Center provides a comprehensive array of diagnostic, therapeutic and rehabilitative services in the comfort, convenience and security of a community hospital setting and is in the process of completing a \$4 million upgrade to enhance communications to provide for the seamless transfer of clinical, business and patient business services data between the Medical Center hospitals.

Inspira's Behavioral Wellness Centers offer comprehensive therapeutic services, referrals and on-site psychiatric services for children, adolescents, and adults. Acenda Integrated Health also has a Counseling & Wellness Center in Woodbury. The Woodbury City Police Department offers a Straight to Treatment program to help combat substance abuse disorders (SUD).

City Employees

	<u>2022</u>	<u>2021</u>	<u>December 31, 2020</u>	<u>2019</u>	<u>2018</u>
Permanent	81	75	78	89	86
Part-time	<u>66</u>	<u>46</u>	<u>37</u>	<u>47</u>	<u>48</u>
Total	<u>147</u>	<u>121</u>	<u>115</u>	<u>136</u>	<u>134</u>

Employee Collective Bargaining Units

<u>Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Policemen's Benevolent Association	28	12/31/2023
United Food & Commercial Workers Union – Public Works	29	12/31/2027
United Food & Commercial Workers Union – Administrative	8	12/31/2027
United Food & Commercial Workers Union – Supervisors	7	12/31/2026
International Association of Firefighters	2	12/31/2026

Compensated Absences

Vacation days and unused sick leave not used during the year may not be accumulated and carried forward to the subsequent year. The City does not compensate for unused sick leave upon termination or retirement.

Pension Plans

Those City employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. (See Appendix B: Financial Statements of the City, Note 8 to Financial Statements).

City Population (1)

2020 Federal Census	9,963
2010 Federal Census	10,174
2000 Federal Census	10,307
1990 Federal Census	10,904
1980 Federal Census	10,353

Selected Census 2021 Data for the City (1)

Median household income	\$64,271
Per capita income	\$35,705

Labor Force(2)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City					
Labor Force	5,258	5,184	5,169	4,936	4,883
Employment	5,047	4,831	4,640	4,731	4,641
Unemployment	211	353	529	205	242
Unemployment Rate	4.0%	6.8%	10.2%	4.2%	5.0%
County					
Labor Force	161,341	158,303	156,923	149,747	147,175
Employment	155,427	148,799	142,899	144,238	140,940
Unemployment	5,914	9,504	14,024	5,509	6,235
Unemployment Rate	3.7%	6.0%	8.9%	3.7%	4.2%

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

(2) Source: New Jersey Department of Labor

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
State					
Labor Force	4,739,800	4,661,100	4,495,200	4,493,100	4,422,900
Employment	4,564,100	4,365,400	4,055,300	4,333,300	4,239,600
Unemployment	175,700	295,700	439,900	159,800	183,400
Unemployment Rate	3.7%	6.3%	9.8%	3.6%	4.1%

TEN LARGEST EMPLOYERS IN THE COUNTY(1)

<u>Employer</u>	<u>Nature of Business</u>	<u>Location</u>	<u>Number of Employees</u>
Rowan University	University	Glassboro	3,500
Inspira Healthcare Network	Hospital	Mullica Hill	1,222
Gloucester County Personnel	Government	Woodbury	1,200
Jefferson Health Washington Twp	Hospital	Turnersville	670
Aryzta LaBrea Bakery, Inc	Bakery	Swedesboro	500
Keller Williams Realty	Realtor	Washington Twp	500
Honda of Turnersville	Auto Sales and Service	Turnersville	499
Paulsboro Refinery LLC	Refinery	Paulsboro	402
Washington Township High School	Education	Washington Twp	400
Johnson Matthey, Inc.	Sustainable Energy	West Deptford	379

Building, Zoning and Development Codes

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

In 1976, the City adopted the Municipal Land Use Law. The Municipal Land Use Law gave the City Planning and Zoning Board of Adjustment authority to regulate most land use other than single family residential use. In this way, the City is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Building Permits(2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction Work</u>
2023(3)	420	\$39,415,500
2022	596	109,436,096
2021	559	7,392,924
2020	531	6,546,594
2019	613	10,642,626
2018	528	10,702,982

(1) Source: Gloucester County Economic Development website

(2) Source: City Construction Official

(3) As of October 2, 2023

EDUCATION (1)

Primary and Secondary

The Board of Education of the City of Woodbury ("School District") is a type II school district, consisting of nine members who are elected at large for three-year terms.

The City's public school system has a total of four schools: three elementary schools and one junior/senior high school with grade levels from Pre-kindergarten through twelfth.

The School District prepares annually a current expense and debt service budget. The amounts to be raised by taxation for current expense and debt service are submitted to the voters for approval if the amounts are disapproved, the City Council fixes an amount and certifies the same to the School District and the County Board of Taxation. If the School District determines that the amount certified by the City is insufficient to operate a thorough and efficient school system, the School District may appeal to the State Commissioner of Education to restore the local funds eliminated.

SCHOOL DISTRICT ENROLLMENTS (1)

<u>Grade</u>	<u>2022</u>	<u>2021</u>	<u>October 15 2020</u>	<u>2019</u>	<u>2018</u>
Pre-K	131	125	102	138	129
K	107	111	116	117	108
1	105	98	112	113	116
2	93	113	101	116	110
3	99	92	109	106	88
4	89	119	105	93	101
5	110	99	94	102	95
6	99	98	99	89	89
7	92	100	98	96	84
8	105	94	92	95	67
9	95	103	94	88	76
10	95	89	85	70	69
11	86	90	70	70	73
12	86	74	66	70	62
Spec. Ed.	<u>278</u>	<u>281</u>	<u>261</u>	<u>252</u>	<u>253</u>
Totals	<u>1,670</u>	<u>1,686</u>	<u>1,604</u>	<u>1,615</u>	<u>1,522</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2022</u>	<u>Functional Capacity</u>
Evergreen Avenue	1952	1956,1967,2000,2001	Pre-K-5	320	325
West End Elementary	1949	1955,1968,1999	K-5	392	380
Walnut Street	1898	1927,1967,2000	Pre-K-5	130	130
Woodbury Jr. Sr. High School	1908	1924,1958,1968,2000	6-12	<u>811</u>	<u>765</u>
				<u>1,653</u>	<u>1,600</u>

(1) Source: Business Administrator/Board Secretary

HIGHER EDUCATION FACILITIES

Rowan College of South Jersey

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College ("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⁽¹⁾ 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.

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.

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

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>	2023	
		<u>Assessed</u>	<u>Valuation</u>
Inspira Medical Centers	Acute Care/Outpatient Svcs/Rehab	\$	24,567,000
Woodbury Apartment LLC	Retail and Apartments		9,871,400
Woodbury Meadows Associates	Senior Living		7,681,000
American Stores	Acme Supermarket		5,200,000
Verizon New Jersey	Telecommunications Products/Svcs		4,495,004
529 Evergreen Square LLC	Strip Center		4,192,000
BKK Real Estate Holding LLC	Retail/Restaurant		4,141,000
TCW Equities LLC	Car Dealership		3,465,900
Woodbury Portfolio Holdings LLC	Retail and Garden Apartments		3,447,000
Burris Post Acute Network Woodbury	Senior Living		3,425,700

(1) Source: Gloucester County website

CURRENT TAX COLLECTIONS(1)

<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 (2) \$	28,830,965 \$	28,271,103	98.05%	\$ 527,404	1.83%
2021	28,342,736	27,787,005	98.04%	498,883	1.76%
2020	28,203,511	27,427,548	97.25%	693,360	2.46%
2019	27,385,386	26,571,091	97.03%	714,315	2.61%
2018	27,010,214	25,799,588	95.52%	1,054,046	3.90%

DELINQUENT TAXES(1)

<u>Year</u>	<u>Outstanding Jan. 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2022 (2) \$	499,122 \$	-	\$ 499,122	100.00%	\$ -	\$ -	\$ -
2021	693,601	1,250	687,543	98.95%	444	6,624	240
2020	717,330	2,250	719,578	100.00%	(240)	-	241
2019	1,055,031	4,500	1,034,876	97.67%	6,288	15,352	3,015
2018	866,560	3,000	817,417	94.00%	29,488	21,671	984

TAX TITLE LIENS(1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>			<u>Other Credits</u>	<u>Balance Dec. 31</u>
		<u>Sales Adjs. & Transfers</u>	<u>Collections</u>			
2022 (2) \$	267,840 \$	\$ 28,345	\$ 16,940	\$ -	\$ -	\$ 279,244
2021	296,004	36,524	62,069	2,620		267,840
2020	265,546	69,657	39,199	-		296,004
2019	220,506	125,141	80,101	-		265,546
2018	150,237	94,863	24,594	-		220,506

FORECLOSED PROPERTY(1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Transfers/ Adjustments</u>	<u>Sales of Property</u>	<u>Balance Dec. 31</u>
2022 (2)	\$ 1,053,900	\$ -	\$ -	\$ 1,053,900
2021	1,053,900	-	-	1,053,900
2020	1,053,900	-	-	1,053,900
2019	1,053,900	-	-	1,053,900
2018	1,053,900	-	-	1,053,900

(1) Source: City Reports of Audit, unless otherwise noted

(2) Source: Compiled Annual Financial Statement

(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

CURRENT WATER-SEWER COLLECTIONS(1)

<u>Year</u>	<u>Beginning</u>		<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Balance</u>	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022	(2) \$ 280,374	\$ 5,528,490	\$ 5,661,630	97.47%	\$ 138,343	2.38%
2021	209,933	4,879,481	4,803,379	94.38%	280,374	5.51%
2020	52,541	4,889,866	4,723,646	95.57%	209,933	4.25%
2019	64,722	5,068,814	5,067,464	98.71%	52,541	1.02%
2018	88,330	5,000,978	5,017,664	98.59%	64,722	1.27%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net</u>	<u>Tax Rate (4)</u>					
		<u>Valuation</u>	<u>Total</u>	<u>Local</u>		<u>Municipal</u>	
		<u>Taxable</u>	<u>Rate</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>	<u>Library</u>
2023	\$ 631,488,369	\$ 4.640	\$ 0.678	\$ 2.245	\$ 1.678	\$ 0.039	
2022	630,741,257	4.558	0.683	2.250	1.590	0.035	
2021	(5) 628,848,585	4.498	0.699	2.258	1.509	0.032	
2020	570,769,299	4.938	0.772	2.485	1.644	0.037	
2019	572,821,475	4.772	0.696	2.449	1.594	0.033	

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA(6)**

<u>Year</u>	<u>Real Property</u>	<u>Percentage</u>	<u>True</u>	<u>True Value</u>
	<u>Assessed</u>	<u>of True</u>		
	<u>Valuation</u>	<u>Value</u>	<u>Value</u>	<u>per Capita</u>
2023	\$ 626,993,365	83.49%	\$ 750,980,195	\$ 75,377 (7)
2022	624,068,455	94.02%	663,761,386	66,623 (7)
2021	(5) 622,743,500	95.00%	630,307,186	63,265 (7)
2020	565,697,500	95.63%	624,114,629	62,643 (7)
2019	567,270,900	98.51%	573,580,283	56,377 (8)

(1) Source: City Reports of Audit, unless otherwise noted

(2) Source: Compiled Annual Financial Statement

(3) Source: City Tax Collector

(4) Per \$100 of assessed valuation

(5) Reassessment

(6) State of New Jersey, Department of Treasury, Division of Taxation

(7) Based on Census 2020 of 9,963

(8) Based on Census 2010 of 10,174

REAL PROPERTY CLASSIFICATION(1)

<u>Year</u>	Assessed Value of Land and					
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2023	\$ 626,993,365	\$ 7,658,300	\$ 441,284,800	\$ 145,615,665	\$ 3,396,000	\$ 29,038,600
2022	624,068,465	7,728,800	439,274,900	144,630,165	3,396,000	29,038,600
2021 (2)	622,743,500	7,640,200	436,348,400	146,320,300	3,396,000	29,038,600
2020	565,697,500	8,371,400	400,795,000	128,964,100	3,556,800	24,010,200
2019	567,270,900	8,416,500	399,947,200	131,340,200	3,556,800	24,010,200

(1) Source: County Tax Assessor

(2) Reassessment

**CITY OF WOODBURY
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the City in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et. seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water and Sewer Utility, and debt of the local school district. Deductions from gross debt to arrive at net debt include debt considered to be self-liquidating, and deductible school debt. The resulting net debt of \$18,455,200 represents 2.741% of the average of equalized valuations for the City for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Debt Auth. But Not Issued	Gross Debt	Deductions		Net Debt
	Bonds	Loans	Notes			Self Liquidating	School Debt	
General	\$ 8,995,000	\$ 290,383	\$ 7,584,250	\$ 1,585,567	\$ 18,455,200			\$ 18,455,200
Local School District	875,000				875,000		\$ 875,000	
Water and Sewer Utility	5,175,000	2,425,176	3,280,500	886,128	11,766,804	\$ 11,766,804		-
	<u>\$ 15,045,000</u>	<u>\$ 2,715,559</u>	<u>\$ 10,864,750</u>	<u>\$ 2,471,694</u>	<u>\$ 31,097,004</u>	<u>\$ 11,766,804</u>	<u>\$ 875,000</u>	<u>\$ 18,455,200</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 and Second Class Railroad for 2020, 2021 and 2022	\$	673,270,423
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022		2.741%
2023 Net Valuation Taxable	\$	631,488,369
2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	755,475,199
Gross Debt (2)		
As a Percentage of 2023 Net Valuation Taxable		4.92%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		4.12%
Net Debt (2)		
As a Percentage of 2023 Net Valuation Taxable		2.92%
As a Percentage of 2023 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.44%
Gross Debt per Capita (3)	\$	3,121
Net Debt per Capita (3)	\$	1,852

CITY BORROWING CAPACITY(1)

3.5% of Average (2020-22) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$673,270,423)	\$	23,564,465
Net Debt		<u>18,455,200</u>
Remaining Borrowing Capacity	\$	<u><u>5,109,265</u></u>

SCHOOL DISTRICT BORROWING CAPACITY (1)

4% of Average (2020-22) Equalized Valuation of Real Property with Improvements Including Improvements (\$673,270,423)	\$	26,930,817
School Debt		<u>875,000</u>
Remaining Borrowing Capacity	\$	<u><u>26,055,817</u></u>

(1) As of December 31, 2022
(2) Excluding overlapping debt
(3) Based on Federal 2020 Census of 9,963

**CITY OF WOODBURY
OVERLAPPING DEBT
AS OF DECEMBER 31, 2022**

	DEBT ISSUED				
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Gloucester(1):					
General	\$ 243,337,000	\$ 17,277,880	(2) \$226,059,120	\$ 5,018,512	(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>\$ 5,018,512</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 2.22%.

CITY OF WOODBURY
SCHEDULE OF DEBT SERVICE (1)
(BONDED DEBT ONLY)

<u>Year</u>	<u>General</u>			<u>Water and Sewer</u>			<u>Grand Total</u>
	<u>Principal (2)</u>	<u>Interest</u>	<u>Total</u>	<u>Principal (2)</u>	<u>Interest</u>	<u>Total</u>	
2023	\$ 865,000.00	\$ 263,287.50	\$ 1,128,287.50	\$ 425,000.00	\$ 163,200.00	\$ 588,200.00	\$ 1,716,487.50
2024	890,000.00	235,615.00	1,125,615.00	435,000.00	149,950.00	584,950.00	1,710,565.00
2025	660,000.00	207,145.00	867,145.00	420,000.00	136,400.00	556,400.00	1,423,545.00
2026	735,000.00	186,375.00	921,375.00	430,000.00	122,450.00	552,450.00	1,473,825.00
2027	735,000.00	164,325.00	899,325.00	435,000.00	107,275.00	542,275.00	1,441,600.00
2028	735,000.00	142,275.00	877,275.00	440,000.00	91,950.00	531,950.00	1,409,225.00
2029	735,000.00	120,225.00	855,225.00	445,000.00	76,400.00	521,400.00	1,376,625.00
2030	735,000.00	98,175.00	833,175.00	235,000.00	60,825.00	295,825.00	1,129,000.00
2031	735,000.00	76,125.00	811,125.00	245,000.00	53,625.00	298,625.00	1,109,750.00
2032	700,000.00	54,600.00	754,600.00	255,000.00	46,125.00	301,125.00	1,055,725.00
2033	735,000.00	33,075.00	768,075.00	260,000.00	38,400.00	298,400.00	1,066,475.00
2034	735,000.00	11,025.00	746,025.00	275,000.00	30,375.00	305,375.00	1,051,400.00
2035				285,000.00	21,975.00	306,975.00	306,975.00
2036				295,000.00	13,275.00	308,275.00	308,275.00
2037				295,000.00	4,425.00	299,425.00	299,425.00
	<u>\$ 8,995,000.00</u>	<u>\$ 1,592,247.50</u>	<u>\$ 10,587,247.50</u>	<u>\$ 5,175,000.00</u>	<u>\$ 1,116,650.00</u>	<u>\$ 6,291,650.00</u>	<u>\$ 16,878,897.50</u>

(1) As of December 31, 2022.

(2) Excludes a Green Acres Loan of \$290,383 and an EIT Loan of \$2,425,176

Source: City Auditor

CITY OF WOODBURY
2023 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 974,000.00
Miscellaneous Revenues:	
Local Revenues	371,550.00
State Aid without Offsetting Appropriations	1,442,099.00
Shared Service Agreements	663,600.00
Public and Private Programs Offset with Appropriations	81,754.21
Other Special Items of Revenue	1,610,954.87
Receipts from Delinquent Taxes	500,000.00
Amount to be Raised by Taxation for Municipal Purposes	<u>11,001,862.35</u>
Total Appropriated Revenues	<u><u>\$16,645,820.43</u></u>

Appropriations:	
Within CAPS:	
Operations	\$11,010,257.00
Deferred Charges and Statutory Expenditures	1,536,464.00
Excluded from CAPS:	
Other Operations	611,014.00
Shared Service Agreements	793,600.00
Public and Private Programs	132,879.21
Capital Improvements	55,000.00
Debt Service	1,524,113.11
Reserve for Uncollected Taxes	<u>982,493.11</u>
Total Appropriations	<u><u>\$16,645,820.43</u></u>

WATER/SEWER UTILITY

Anticipated Revenues:	
Fund Balance	\$ 150,000.00
Rents	5,370,000.00
Miscellaneous	<u>20,000.00</u>
Total Appropriated Revenues	<u><u>\$ 5,540,000.00</u></u>

Appropriations:	
Operating	\$ 4,191,460.57
Capital Improvements	50,000.00
Debt Service	1,092,103.37
Deferred Charges and Statutory Expenditures	<u>206,436.06</u>
Total Appropriations	<u><u>\$ 5,540,000.00</u></u>

(1) Adopted

**CITY OF WOODBURY
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2023-2028 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in Aid and Other Funds</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self- Liquidating</u>
General Capital:					
Imp. to Municipal Property	\$ 210,000.00	\$ 10,500.00	\$ -	\$ 199,500.00	\$ -
Acq. of DPW Vehicles & Equip.	2,250,000.00	112,500.00		2,137,500.00	
Various Street Improvements	3,438,900.00	141,625.00	606,400.00	2,690,875.00	
Storm Sewer Improvements	1,150,000.00	57,500.00		1,092,500.00	
Park Improvements	1,852,200.00	31,300.00	1,226,200.00	594,700.00	
Lake Dredging & Bank Stabilization	554,000.00	27,700.00		526,300.00	
Acq. of Police Equipment	148,000.00	7,400.00		140,600.00	
Fire House Bdlg Repairs/Equip.	148,000.00	7,400.00		140,600.00	
Fire House - New	3,000,000.00	150,000.00		2,850,000.00	
Water/Sewer Utility:					
Water Main Rehabilitation	2,500,000.00				2,500,000.00
Sewer Rehabilitation & Relining	1,551,000.00				1,551,000.00
Well and Well Site Improvements	265,000.00				265,000.00
Lift Station/City Reservoir Improvements	275,000.00				275,000.00
Improvements to Buildings & Acquisition of Equipment	770,000.00				770,000.00
Totals--All Projects	\$18,112,100.00	\$ 545,925.00	\$ 1,832,600.00	\$ 10,372,575.00	\$ 5,361,000.00

(1) Adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF WOODBURY

FOR THE YEAR ENDED 2022
COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the City Council
City of Woodbury
Woodbury, New Jersey 08096

Management is responsible for the accompanying financial statements of the City of Woodbury, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2022 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices 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.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 23, 2023

CITY OF WOODBURY
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2022

Assets

Regular Fund:	
Cash	<u>\$ 5,433,784.09</u>
Receivables and Other Assets with	
Full Reserves:	
Delinquent Property Taxes Receivable	527,403.82
Tax Title Liens Receivable	279,243.86
Property Acquired for Taxes--Assessed Valuation	1,053,900.00
Miscellaneous Accounts Receivable	3,200.00
Due from General Capital Fund	12,397.80
Due from Trust Dog Fund	7,502.62
Due from Trust Other Funds	122,948.64
Due from CDBG Trust Fund	<u>14,721.44</u>
	<u>2,021,318.18</u>
	<u>7,455,102.27</u>
Federal and State Grant Fund:	
Due from/to Current Fund	531,798.84
Federal and State Grants Receivable	<u>578,856.05</u>
	<u>1,110,654.89</u>
	<u>\$ 8,565,757.16</u>

(Continued)

CITY OF WOODBURY
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2022

Liabilities, Reserves and Fund Balance

Regular Fund:

Liabilities:

Appropriation Reserves	\$	393,274.96
Reserve for Encumbrances		263,863.58
Accounts Payable		732.55
Prepaid Taxes		302,332.45
Tax Overpayments		70,963.63
Due from/to State of New Jersey--Veterans' and Senior Citizens' Deductions (Ch. 73, P.L. 1976)		24,060.13
Due County for Added and Omitted Taxes		18,360.44
Due to Water and Sewer Utility Operating Fund		499,635.10
Due to Federal and State Grant Fund		531,798.84
Reserve for Payment of Debt Service		106,039.96
Reserve for Sale of Municipal Assets		<u>196,345.92</u>

2,407,407.56

Reserve for Receivables and Other Assets 2,021,318.18

Fund Balance 3,026,376.53

7,455,102.27

Federal and State Grant Fund:

Due to City of Woodbury Library		5,798.30
Due to Water and Sewer Capital Fund		600,000.00
Reserve for Encumbrances		3,409.24
Reserve for Federal and State Grants--Unappropriated		243,681.95
Reserve for Federal and State Grants--Appropriated		<u>257,765.40</u>

1,110,654.89

\$ 8,565,757.16

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2022

<u>Revenue and Other Income Realized</u>	
Fund Balance Utilized	\$ 974,000.00
Miscellaneous Revenues Anticipated	3,648,557.88
Receipts from Delinquent Taxes	516,062.65
Receipts from Current Taxes	28,271,102.84
Non-Budget Revenues	101,816.75
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	407,518.89
Total Income	33,919,059.01
<u>Expenditures</u>	
Budget Appropriations:	
Operations Within "CAPS"	
Salaries and Wages	5,799,407.13
Other Expenses	4,572,792.87
Deferred Charges and Statutory Expenditures Within "CAPS"	1,500,442.00
Operations Excluded from "CAPS":	
Salaries and Wages	201,800.00
Other Expenses	667,689.72
Capital Improvements Excluded from "CAPS"	55,000.00
Municipal Debt Service Excluded from "CAPS"	1,204,408.13
County Taxes	4,292,467.71
Due County for Added and Omitted Taxes	18,460.43
Local School Taxes	14,169,256.00
Create Reserves for:	
Interfunds	56,024.88
Total Expenditures	32,537,748.87
Excess in Revenues	1,381,310.14
<u>Fund Balance</u>	
Balance Jan. 1	2,619,066.39
	4,000,376.53
Decreased by:	
Utilized as Revenue	974,000.00
Balance Dec. 31	\$ 3,026,376.53

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
TRUST FUND
Statement of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2022

ASSETS

Animal Control Trust Fund:	
Cash	\$ 13,602.22
LOSAP Trust Fund:	
Investments	<u>205,864.28</u>
CDBG Trust Fund:	
Cash	1,128.30
Community Development Block Grant Receivable	<u>227,300.00</u>
	<u>228,428.30</u>
Other Trust Funds:	
Cash	1,947,774.65
Due from Bank	6,324.81
Due from Water-Sewer Operating Fund (Payroll Trust)	80,525.25
Due from Community Development Block Grant Trust (Trust Other)	<u>26,656.32</u>
	<u>2,061,281.03</u>
	<u>\$ 2,509,175.83</u>

(Continued)

CITY OF WOODBURY
TRUST FUND
Statement of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2022

LIABILITIES AND RESERVES

Animal Control Trust Fund:	
Reserve for Animal Control Trust Fund	\$ 6,099.60
Due to Current Fund	7,502.62
	13,602.22
LOSAP Trust Fund:	
Reserve for LOSAP	205,864.28
CDBG Trust Fund:	
Due to Current Fund	14,721.44
Due to Trust Other Fund	26,656.32
Reserve for CDBG	187,050.54
	228,428.30
Other Trust Funds:	
Due to Current Fund	122,948.64
Reserve for Performance Bonds	10,607.50
Reserve for Fire Safety Penalty	191.67
Reserve for Parks and Rec Donations	102,995.42
Reserve for Street Opening Deposits	18,746.55
Reserve for Environmental Escrow	2,000.00
Reserve for Police Outside Employment	60,356.46
Reserve for Subdivision Escrow	207,998.66
Reserve for Recycling Fees	17,703.93
Reserve for Unemployment	97,439.82
Reserve for RCA Trust	89,530.95
Reserve for Forfeiture - County	9,431.38
Reserve for Tax Sale Premiums	926,383.88
Reserve for Tax Title Lien Redemption	110,572.54
Payroll Deductions Payable	279,373.63
Escrow 467 Cooper	5,000.00
	2,061,281.03
	\$ 2,509,175.83

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2022

ASSETS

Cash (Deficit)	\$ (9,728.49)
Deferred Charges to Future Taxation:	
Funded	9,272,396.23
Unfunded	9,169,816.72
Due from Water and Sewer Operating Fund	13,085.55
Due from Bank	76.00
Due from CDBG program	100,000.00
Due from N.J. Green Acres Program - Grant	849,042.00
Due from NJ DOT - E. Red Bank Ave	6,876.92
Due from NJ DOT - W. Barber Ave	633.58
Due from NJDOT - Railroad Ave.	45,000.00
Due from NJDOT - Hunter Street	102,878.35
Due from NJDOT - Progress Street	305,325.00
Due from NJDOT - W. Centre Street	296,915.00
Due from NJDOT - S. Columbia Street	300,000.00
	<u>\$ 20,452,316.86</u>

LIABILITIES, RESERVES and FUND BALANCE

Due to Water and Sewer Capital Fund	\$ 500,000.00
Due to Current Fund	12,397.80
Improvement Authorizations:	
Funded	29,153.41
Unfunded	2,529,246.41
Reserve for Encumbrances	391,695.12
Loans Payable	290,382.73
Bond Anticipation Notes	7,584,250.00
General Serial Bonds	8,995,000.00
Reserve for Payment of Debt Service	3,089.77
Reserve for Capital Projects	30,000.00
Capital Improvement Fund	84,629.97
Fund Balance	2,471.65
	<u>\$ 20,452,316.86</u>

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
WATER - SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2022

ASSETS

Operating Fund:	
Cash	\$ 406,805.10
Due from Current Fund	499,635.10
	906,440.20
Receivables with Full Reserves:	
Consumer Accounts Receivable	138,342.90
Utility Liens Receivable	43,000.87
	181,343.77
Deferred Charges	
Overexpenditure of Appropriations	70,436.06
	1,158,220.03
Capital Fund:	
Cash	158,007.19
Due from Federal and State Grant Fund	600,000.00
Due from General Capital Fund	500,000.00
Due from Water-Sewer Utility Operating Fund	15,441.96
Fixed Capital Completed	26,219,286.58
Fixed Capital Authorized and Uncompleted	14,756,330.56
	42,249,066.29
Total Capital Fund	42,249,066.29
	\$ 43,407,286.32

(Continued)

CITY OF WOODBURY
WATER - SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2022

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:	
Appropriation Reserves	\$ 6,151.12
Overpayments	45,935.47
Reserve for Encumbrances	19,577.20
Accrued Interest on Bonds and Notes	56,104.43
Due to Water-Sewer Capital Fund	15,441.96
Due to General Capital Fund	13,085.55
Due to Trust Other Payroll	80,525.25
	236,820.98
Reserve for Consumer Accounts and Lien Receivable	181,343.77
Fund Balance	740,055.28
	1,158,220.03
Total Operating Fund	
	1,158,220.03
Capital Fund:	
Serial Bonds	5,175,000.00
Bond Anticipation Notes	3,280,500.00
Loans Payable	2,425,176.46
Improvement Authorizations:	
Funded	452,591.50
Unfunded	1,360,599.07
Reserve for Encumbrances	42,791.00
Capital Improvement Fund	213,355.18
Reserves for:	
Amortization	29,017,726.86
Deferred Amortization	191,575.00
Fund Balance	89,751.22
	42,249,066.29
Total Capital Fund	42,249,066.29
	\$ 43,407,286.32

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
WATER - SEWER UTILITY OPERATING FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2022

Revenue and Other Income Realized

Fund Balance Utilized	\$	85,000.00
Rents		5,668,326.19
Miscellaneous		40,141.74
Non-Budget Revenues		64,880.69
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		28,312.67
Total Income		5,886,661.29

Expenditures

Operating		3,747,675.09
Capital Improvements		50,000.00
Debt Service		1,288,779.05
Deferred Charges and Statutory Expenditures		130,657.60
Total Expenditures		5,217,111.74
Excess in Revenue		669,549.55
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year		70,436.06
Statutory Excess to Fund Balance		739,985.61

Fund Balance

Balance Jan. 1		85,069.67
		825,055.28
Decreased by:		
Utilized by Water-Sewer Operating Budget		85,000.00
Balance Dec. 31	\$	740,055.28

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
 Selected Information - Substantially All Disclosures Required
 By the Regulatory Basis of Accounting Have Been Omitted
 For the Year Ended December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Woodbury (hereafter referred to as the "City") was incorporated in January, 1871 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2020 census is 9,963.

The City has a form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator, Deputy City Administrator and City Clerk.

Component Units - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the City, the primary government:

Woodbury Public Library
 33 Delaware Street
 Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the City 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 City 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 and state 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 - Sewer Utility Operating and Capital Funds - The water - sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water-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 City'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. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City's length of service awards program, however, are stated at fair value.

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 City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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.

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 City 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 City 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 City'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.

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

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-sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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 City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City 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 City's annual budget, but also the amounts required in support of the budgets of the County of Gloucester and the City of Woodbury School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the City of Woodbury School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district 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 City's annual budget protects the City 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.

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

Expenditures (Cont'd) - 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.

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.

FOR THE YEARS ENDED 2021, 2020, 2019, 2018 AND 2017

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Woodbury
Woodbury, New Jersey 08096

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 City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, 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 City'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 City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, 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 City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2021, 2020, 2019, 2018 and 2017, 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; 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 City 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 City 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.

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 City'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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 City'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 City'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
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
April 20, 2023

CITY OF WOODBURY
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Cash	\$5,009,705	\$3,530,010	\$4,666,857	\$5,370,929	\$4,110,069
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	499,122	693,601	717,330	1,055,031	866,560
Tax Title Liens Receivable	267,840	296,004	265,546	220,506	150,237
Property Acquired for Taxes--Assessed Valuation	1,053,900	1,053,900	1,053,900	1,053,900	1,053,900
Miscellaneous Accounts Receivable	4,200	4,200	4,200	4,200	4,200
Interfunds Receivable	473,244	359,892	1,046,423	493,890	80,609
Federal and State Grant Funds Receivable	590,950	588,366	540,839	457,583	202,119
Total Assets	\$7,898,961	\$6,525,973	\$8,295,094	\$8,656,039	\$6,467,695
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$540,634	\$374,157	\$422,257	\$256,568	\$521,051
Accounts Payable	28,089	9,213	53,973	23,376	54,357
Reserve for Encumbrances	518,944	287,470	172,898	488,319	161,533
Prepaid Taxes	296,346	304,262	318,840	324,874	709,043
Tax Overpayments	54,186	17,012	27,527	51,549	65,752
Due County for Added and Omitted Taxes	8,779	2,848	7,344	7,581	6,427
Interfunds Payable	1,277,491	522,805	2,739,177	2,933,753	395,412
Local School District Tax Payable			1		
Due to State of New Jersey	25,427	25,502	25,062	25,152	25,727
Deposit for the Sale of Assets	6,619	6,619	5,854	5,854	5,854
Due to City of Woodbury Library	5,798	5,798	5,798	5,798	5,798
Reserve for Receivables and Other Assets	1,926,608	2,407,597	3,087,398	2,806,327	2,120,930
Reserve for Payment of Debt Service		62,829	5,413		
Reserve for Federal and State Grants	590,975	257,089	280,190	168,296	211,126
Fund Balance	2,619,066	2,242,770	1,143,361	1,558,592	2,184,684
Total Liabilities, Reserves and Fund Balance	\$7,898,961	\$6,525,973	\$8,295,094	\$8,656,039	\$6,467,695

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WOODBURY
CURRENT FUND
Statements of Operations and Changes in Fund Balance--
Regulatory Basis

	Years Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue Realized:					
Current Tax Collections	\$27,787,005	\$27,427,548	\$26,571,091	\$25,799,588	\$25,640,675
Delinquent Tax Collections	749,362	771,198	1,127,398	854,432	661,777
Total Taxes	<u>28,536,367</u>	<u>28,198,746</u>	<u>27,698,490</u>	<u>26,654,020</u>	<u>26,302,453</u>
Miscellaneous Revenues Anticipated	3,293,579	3,625,828	3,382,350	3,475,785	3,143,219
Non-Budget and Other Income	871,612	1,282,251	431,564	726,832	558,157
Fund Balance Utilized	<u>974,000</u>	<u>690,000</u>	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,080,000</u>
Total Income	<u>33,675,558</u>	<u>33,796,825</u>	<u>32,592,404</u>	<u>31,936,637</u>	<u>31,083,829</u>
Expenditures and Encumbrances:					
Operating	10,583,693	10,675,338	10,767,163	10,770,147	10,603,368
Capital Improvements	75,000	75,000	75,000	75,000	75,000
Debt Service	1,255,732	1,220,784	1,184,357	1,189,244	1,101,617
Deferred Charges and Statutory Expenditures	1,750,626	1,314,623	1,303,968	1,237,885	1,173,013
County Taxes	4,396,734	4,407,243	3,985,089	3,947,405	3,925,426
Local District School Tax	14,197,056	14,181,870	14,025,744	13,833,390	13,659,097
Due State of New Jersey--Prior Year Taxes	1,250	2,250	4,500	3,000	1,750
Federal and State Grants Receivable Canceled	22,236				
Refund of a Prior Year Revenue	42,935	17,357			
Creation of Reserves		112,952	581,814	426,657	42,404
Total Expenditures and Encumbrances	<u>32,325,261</u>	<u>32,007,416</u>	<u>31,927,636</u>	<u>31,482,728</u>	<u>30,581,675</u>
Excess in Revenues	<u>1,350,297</u>	<u>1,789,409</u>	<u>664,769</u>	<u>453,909</u>	<u>502,154</u>
Statutory Excess to Fund Balance	1,350,297	1,789,409	664,769	453,909	502,154
Fund Balance Beginning of Year	<u>2,242,770</u>	<u>1,143,361</u>	<u>1,558,592</u>	<u>2,184,684</u>	<u>2,762,529</u>
	3,593,066	2,932,770	2,223,361	2,638,592	3,264,684
Decreased by:					
Utilized as Revenue	<u>974,000</u>	<u>690,000</u>	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,080,000</u>
Fund Balance Ending of Year	<u>\$2,619,066</u>	<u>\$2,242,770</u>	<u>\$1,143,361</u>	<u>\$1,558,592</u>	<u>\$2,184,684</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WOODBURY
TRUST FUND
Statements of Assets, Liabilities, and Reserves --
Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Cash	\$1,611,659	\$1,427,674	\$1,911,450	\$993,237	\$1,251,944
Interfunds Receivable	80,525	80,525	80,525	80,525	
Investments - Length of Service Awards Program	309,059	276,170	266,324	243,676	254,088
Due from Bank	6,325	6,325	7,272	7,272	7,272
Community Development Block Grant Receivable	227,300	227,300	227,300	152,300	102,300
Other Accounts Receivable				125	125
	<hr/>				
Total Assets	<u>\$2,234,868</u>	<u>\$2,017,994</u>	<u>\$2,492,872</u>	<u>\$1,477,135</u>	<u>\$1,615,729</u>
LIABILITIES AND RESERVES					
Interfund Loans Payable	\$4,633	\$4,895	\$1,769	\$9,850	\$7,159
Other Liabilities and Reserve for Special Funds	2,230,235	2,013,099	2,491,103	1,467,286	1,608,570
	<hr/>				
Total Liabilities and Reserves	<u>\$2,234,868</u>	<u>\$2,017,994</u>	<u>\$2,492,872</u>	<u>\$1,477,135</u>	<u>\$1,615,729</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Cash	\$128,904	\$838,930	\$685,954	\$91,446	\$4,185,854
Deferred Charges to Future Taxation:					
Funded	10,158,420	11,013,691	11,898,224	12,712,034	13,402,713
Unfunded	8,319,567	8,319,567	7,074,567	4,984,567	3,418,758
Interfunds Receivable	101,687	135,000	2,504,065	2,927,092	360,835
Other Accounts Receivable	1,173,228	1,173,228	856,553	934,900	856,553
	<hr/>				
Total Assets	<u>\$19,881,805</u>	<u>\$21,480,415</u>	<u>\$23,019,362</u>	<u>\$21,650,039</u>	<u>\$22,224,713</u>
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	\$9,830,000	\$10,635,000	\$11,470,000	\$12,235,000	\$12,870,000
Bond Anticipation Notes	6,235,000	5,597,500	2,650,000		
Reserve for Payment of Debt Service	3,090	3,090			
State of New Jersey Green Acres Loan	341,407	391,678	441,211	490,021	545,700
Improvement Authorizations:					
Funded	316,278	371,058	465,127	721,401	838,211
Unfunded	2,257,829	2,907,504	3,488,755	3,888,045	3,258,857
Reserve for Encumbrances	261,350	1,512,734	547,418	309,182	712,683
Reserve for Spot Blight	30,000	30,000	30,000	30,000	30,000
Interfunds Payable	500,000		3,915,000	3,929,539	3,915,000
Capital Improvement Fund	104,380	29,380	9,380	44,380	51,791
Fund Balance	2,472	2,472	2,472	2,472	2,472
	<hr/>				
Total Liabilities, Reserves and Fund Balance	<u>\$19,881,805</u>	<u>\$21,480,415</u>	<u>\$23,019,362</u>	<u>\$21,650,039</u>	<u>\$22,224,713</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--
 Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
ASSETS					
Operating Fund:					
Cash	\$264,913	\$592,758	\$16,843	\$479,465	\$584,233
Interfunds Receivable	504,107	270,385	1,902,208	1,889,875	1,810,168
Receivables with Full Reserves:					
Consumer Accounts Receivable	280,374	209,933	52,541	64,722	88,330
Liens Receivable	41,814	45,962	43,710	29,963	23,040
Deferred Charges			144,934		
Total Operating Fund	1,091,207	1,119,039	2,160,236	2,464,025	2,505,771
Capital Fund:					
Cash	152,447	2,211,348	364,623	31,012	582,295
Interfunds Receivable	1,166,340		3,915,000	3,915,000	3,915,000
Fixed Capital	26,264,114	26,219,287	26,195,368	26,144,838	26,060,861
Fixed Capital Authorized and Uncompleted	13,877,581	13,877,581	13,127,081	12,017,081	11,172,081
Total Capital Fund	41,460,481	42,308,215	43,602,072	42,107,931	41,730,237
Total Assets	\$42,551,688	\$43,427,254	\$45,762,308	\$44,571,956	\$44,236,008

(Continued)

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$80,547	\$142,917	\$26,633	\$44,024	\$74,087
Accounts Payable		15,526	3,063	11,080	8,622
Accrued Interest on Bonds and Notes	53,859	64,089	73,941	80,844	137,008
Overpayments	56,109	57,543	56,262	53,260	7,130
Prepaid Rents	10,710	6,262	5,889	3,749	4,121
Interfunds Payable	446,866	80,525	880,008	534,971	34,804
Reserve for Encumbrances	35,858	259,212	79,184	68,942	124,374
Reserve for Receivables and Other Assets	322,188	255,895	96,251	94,685	111,371
Fund Balance	85,070	237,070	939,005	1,572,470	2,004,255
Total Operating Fund	1,091,207	1,119,039	2,160,236	2,464,025	2,505,771
Capital Fund:					
Serial Bonds	5,925,000	6,640,000	7,555,000	8,230,000	8,860,000
Bond Anticipation Notes	3,280,500	3,280,500	1,420,000		
NJEIT Loan Payable	2,710,280	2,989,383	3,269,487	3,539,590	3,811,693
Interfunds Payable		123,033	1,902,208	1,889,875	1,810,168
Reserve for Encumbrances	79,298	312,360	519,736	36,262	12,100
Improvement Authorizations:					
Funded	238,568	61,483	1,733,937	1,975,892	2,174,112
Unfunded	658,454	1,372,004	706,775	937,016	548,948
Reserve for Amortization	28,027,451	26,988,520	25,769,499	24,773,865	23,787,785
Deferred Reserve for Amortization	191,575	191,575	191,575	191,575	191,575
Capital Improvement Fund	259,605	259,605	444,105	444,105	444,105
Fund Balance	89,751	89,751	89,751	89,751	89,751
Total Capital Fund	41,460,481	42,308,215	43,602,072	42,107,931	41,730,237
Total Liabilities, Reserves and Fund Balance	\$42,551,688	\$43,427,254	\$45,762,308	\$44,571,956	\$44,236,008

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
Statements of Operations and Changes in Fund Balance--
Regulatory Basis

	Years Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue Realized:					
Fund Balance Utilized	\$152,000	\$744,934	\$827,228	\$590,000	\$590,000
Rents	4,813,188	4,729,827	5,067,464	5,017,664	5,160,650
Miscellaneous Revenue Anticipated	31,471	29,063	35,405	34,804	35,835
Miscellaneous Revenue Not Anticipated	24,366	8,948	59,663	93,028	73,811
Other Credits to Income	76,481	8,768	42,975	40,503	274,032
Total Income	5,097,507	5,521,540	6,032,736	5,775,999	6,134,328
Expenditures:					
Operating	3,856,110	3,858,610	4,344,104	3,970,000	3,820,000
Capital Improvements	50,000	50,000	50,000	80,265	192,500
Debt Service	1,297,417	1,270,964	1,270,743	1,252,784	1,267,834
Deferred Charges & Statutory Expenditures	143,500	298,967	319,059	314,735	316,500
Total Expenditures	5,347,027	5,478,541	5,983,906	5,617,784	5,596,834
Excess (Deficit) in Revenues	(249,521)	42,999	48,829	158,214	537,494
Adjustment to Income before Surplus:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Year			144,934		
Realized from General Budget for Anticipated Deficit	249,521				
Statutory Excess to Fund Balance	0	42,999	193,764	158,214	537,494
Fund Balance January 1	237,070	939,005	1,572,470	2,004,255	2,056,761
	237,070	982,004	1,766,233	2,162,470	2,594,255
Decreased by:					
Utilized by Water-Sewer Operating Budget	152,000	744,934	827,228	590,000	590,000
Fund Balance December 31	\$85,070	\$237,070	\$939,005	\$1,572,470	\$2,004,255

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF WOODBURY
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Woodbury (hereafter referred to as the "City") was incorporated in January, 1871 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2020 census is 9,963.

The City has a form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator, Deputy City Administrator and City Clerk.

Component Units - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the City, the primary government:

Woodbury Public Library
33 Delaware Street
Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the City 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 City 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 and state 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 - Sewer Utility Operating and Capital Funds - The water - sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water-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 City'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. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City's length of service awards program, however, are stated at fair value.

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 City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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.

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 City 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 City 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 City'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.

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

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-sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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 City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City 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 City's annual budget, but also the amounts required in support of the budgets of the County of Gloucester and the City of Woodbury School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the City of Woodbury School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district 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 City's annual budget protects the City 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.

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

Expenditures (Cont'd) - 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.

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.

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 City's deposits might not be recovered. Although the City 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, 2021, the City's bank balances of \$9,025,570.26 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,885,746.35
Uninsured and Uncollateralized	<u>139,823.91</u>
Total	<u>\$ 9,025,570.26</u>

New Jersey Cash Management Fund - During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2021, the City's deposits with the New Jersey Cash Management Fund were \$691,978.53.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 4.498</u>	<u>\$ 4.938</u>	<u>\$ 4.772</u>	<u>\$ 4.666</u>	<u>\$ 4.587</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.509	\$ 1.644	\$ 1.594	\$ 1.555	\$ 1.531
Municipal Library	.032	.037	.033	.033	.033
County	.658	.728	.655	.642	.634
County Open Space Preservation Trust Fund	.041	.044	.041	.041	.041
Local School	2.258	2.485	2.449	2.395	2.348

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 628,848,585.00
2020	570,769,299.00
2019	572,821,475.00
2018	577,763,282.00
2017	581,707,125.00

Comparison of Tax Levies and Collections

	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 28,342,735.97	\$ 27,787,005.34	98.04%
2020	28,203,511.05	27,427,548.28	97.25%
2019	27,385,386.39	26,571,091.46	97.03%
2018	27,010,214.18	25,799,587.89	95.52%
2017	26,726,540.05	25,640,675.23	95.94%

Note 3: PROPERTY TAXES (CONT'D)**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 267,839.52	\$ 499,122.42	\$ 766,961.94	2.71%
2020	296,004.11	693,601.00	989,605.11	3.51%
2019	265,545.92	717,329.50	982,875.42	3.59%
2018	220,506.27	1,055,030.75	1,275,537.02	4.72%
2017	150,237.21	866,560.12	1,016,797.33	3.80%

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>
2021	\$ 1,053,900.00
2020	1,053,900.00
2019	1,053,900.00
2018	1,053,900.00
2017	1,053,900.00

Note 5: WATER-SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water-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>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2021	\$ 209,932.95	\$ 45,962.18	\$ 4,879,480.89	\$ 5,135,376.02	\$ 4,803,379.39
2020	52,541.49	43,709.91	4,889,865.94	4,986,117.34	4,723,646.38
2019	64,721.79	29,963.14	5,068,814.00	5,163,498.93	5,067,463.56
2018	88,330.25	23,040.40	5,000,978.08	5,112,348.73	5,017,663.80
2017	82,375.96	14,755.53	5,174,519.04	5,271,650.53	5,160,649.94

Note 6: 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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 2,619,066.39	\$ 974,000.00	37.19%
2020	2,242,769.73	974,000.00	43.43%
2019	1,143,361.04	690,000.00	60.35%
2018	1,558,592.27	1,080,000.00	69.29%
2017	2,184,683.57	1,080,000.00	49.44%

Water - Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 85,069.67	\$ 85,000.00	99.92%
2020	237,069.67	152,000.00	64.12%
2019	939,005.00	744,934.35	79.33%
2018	1,572,469.55	827,228.36	52.61%
2017	2,004,255.10	590,000.00	29.44%

Note 7: 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, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 101,545.62	\$ 977,491.26
Federal and State Grant	371,698.11	300,000.00
Trust - Animal Control		4,633.32
Trust - Other	80,525.25	96,912.30
General Capital	101,686.63	500,000.00
Water - Sewer Utility - Operating	504,106.52	446,865.51
Water - Sewer Utility - Capital	1,166,340.26	
	<u>\$ 2,325,902.39</u>	<u>\$ 2,325,902.39</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 2022, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several City employees 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 and PFRS plans' 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 City, 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.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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.

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.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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.

The City's contractually required contribution rate for the year ended December 31, 2021 was 16.68% of the City'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, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$395,788.00, and is payable by April 1, 2022. 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, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$367,109.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$181,445.15.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A 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 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The City's contractually required contribution rate for the year ended December 31, 2021 was 32.95% of the City'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, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$902,742.00, and is payable by April 1, 2022. 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, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$877,105.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$276,697.40.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2021 was 5.05% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021 the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2021 was \$138,322.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2020 was \$121,150.00, which was paid on April 1, 2021.

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 City contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2021, employee contributions totaled \$582.28, and the City's contributions were \$1,067.52. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

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, 2021, the City's proportionate share of the PERS net pension liability was \$4,003,618.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. The City's proportion of the net pension liability was based on a projection of the City'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, 2021 measurement date, the City's proportion was 0.0337957917%, which was an increase of 0.0002376632% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the year ended December 31, 2021, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$653,673.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the City's contribution to PERS was \$367,109.00, and was paid on April 1, 2021.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2021, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 5,661,502.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	1,592,296.00
	\$ 7,253,798.00

Pension Liability - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the City's proportion was 0.0774577127%, which was a decrease of 0.0010535550% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the City, was 0.0774579033%, which was a decrease of 0.0010533644% from its proportion, on-behalf of the City, measured as of June 30, 2020.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2021, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$878,024.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the City's contribution to PFRS was \$877,105.00, and was paid on April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2021 measurement date, was \$177,335.00. This on-behalf (benefit) expense is not recognized by the City 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, 2021, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 63,142.00	\$ 64,591.00	\$ 127,733.00	\$ 28,661.00	\$ 678,189.00	\$ 706,850.00
Changes of Assumptions	20,851.00	30,125.00	50,976.00	1,425,314.00	1,696,726.00	3,122,040.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	1,054,658.00	2,412,550.00	3,467,208.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	653,658.00	224,495.00	878,153.00	515,762.00	592,897.00	1,108,659.00
City Contributions Subsequent to the Measurement Date	197,894.00	451,371.00	649,265.00	-	-	-
	<u>\$ 935,545.00</u>	<u>\$ 770,582.00</u>	<u>\$ 1,706,127.00</u>	<u>\$ 3,024,395.00</u>	<u>\$ 5,380,362.00</u>	<u>\$ 8,404,757.00</u>

Note 8: 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 amounts of \$197,894.00 and \$451,371.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the City's year end of December 31, 2021.

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

	PERS		PFRS	
	<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				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
June 30, 2020	-	5.00	-	5.00
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17

Note 8: 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) - 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>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2022	\$ (970,419.00)	\$ (1,648,613.00)	\$ (2,619,032.00)
2023	(704,955.00)	(1,227,155.00)	(1,932,110.00)
2024	(307,781.00)	(981,014.00)	(1,288,795.00)
2025	(305,037.00)	(1,032,555.00)	(1,337,592.00)
2026	1,448.00	(146,849.00)	(145,401.00)
Thereafter	-	(24,965.00)	(24,965.00)
	<u>\$ (2,286,744.00)</u>	<u>\$ (5,061,151.00)</u>	<u>\$ (7,347,895.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2021) 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' and PFRS' target asset allocation as of June 30, 2021 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%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of the June 30, 2021 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.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 2.16% as of June 30, 2021 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 will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the City'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%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 5,452,116.00</u>	<u>\$ 4,003,618.00</u>	<u>\$ 2,774,362.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the City and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 8,596,814.00	\$ 5,661,502.00	\$ 3,218,172.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	2,417,852.00	1,592,296.00	905,110.00
	<u>\$ 11,014,666.00</u>	<u>\$ 7,253,798.00</u>	<u>\$ 4,123,282.00</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 respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. 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 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. 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 Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0337957917%	0.0335581285%	0.0291801597%	0.0345480018%	0.0344768290%
City's Proportionate Share of the Net Pension Liability	\$ 4,003,618.00	\$ 5,472,453.00	\$ 5,257,822.00	\$ 6,802,329.00	\$ 8,025,655.00
City's Covered Payroll (Plan Measurement Period)	\$ 2,476,688.00	\$ 2,401,064.00	\$ 2,087,852.00	\$ 2,364,060.00	\$ 2,357,556.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	161.65%	227.92%	251.83%	287.74%	340.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Proportion of the Net Pension Liability	0.0342851077%	0.0384752545%	0.0405159927%	0.0400341310%	
City's Proportionate Share of the Net Pension Liability	\$ 10,154,266.00	\$ 8,636,924.00	\$ 7,585,702.00	\$ 7,651,318.00	
City's Covered Payroll (Plan Measurement Period)	\$ 2,360,252.00	\$ 2,659,060.00	\$ 2,739,728.00	\$ 2,812,020.00	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.22%	324.81%	276.88%	272.09%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Contractually Required Contribution	\$ 395,788.00	\$ 367,109.00	\$ 283,837.00	\$ 343,641.00	\$ 319,391.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(395,788.00)</u>	<u>(367,109.00)</u>	<u>(283,837.00)</u>	<u>(343,641.00)</u>	<u>(319,391.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 2,372,505.00	\$ 2,418,913.00	\$ 2,378,363.00	\$ 2,109,824.00	\$ 2,273,975.00
City's Contributions as a Percentage of Covered Payroll	16.68%	15.18%	11.93%	16.29%	14.05%
	<u>Year Ended December 31,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 304,584.00	\$ 330,784.00	\$ 334,008.00	\$ 301,649.00	
City's Contribution in Relation to the Contractually Required Contribution	<u>(304,584.00)</u>	<u>(330,784.00)</u>	<u>(334,008.00)</u>	<u>(301,649.00)</u>	
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll (Calendar Year)	\$ 2,355,219.00	\$ 2,373,870.00	\$ 2,613,991.00	\$ 2,702,834.00	
City's Contributions as a Percentage of Covered Payroll	12.93%	13.93%	12.78%	11.16%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0774577127%	0.0785112677%	0.0806469117%	0.0777718073%	0.0823660787%
City's Proportionate Share of the Net Pension Liability	\$ 5,661,502.00	\$ 10,144,691.00	\$ 9,869,423.00	\$ 10,523,808.00	\$ 12,715,730.00
State's Proportionate Share of the Net Pension Liability associated with the City	1,592,296.00	1,574,410.00	1,558,401.00	1,429,485.00	1,424,269.00
Total	<u>\$ 7,253,798.00</u>	<u>\$ 11,719,101.00</u>	<u>\$ 11,427,824.00</u>	<u>\$ 11,953,293.00</u>	<u>\$ 14,139,999.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 2,715,288.00	\$ 2,694,588.00	\$ 2,733,372.00	\$ 2,585,472.00	\$ 2,666,164.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.50%	376.48%	361.07%	407.04%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Proportion of the Net Pension Liability	0.0831570274%	0.0831013469%	0.0861774062%	0.0846628071%	
City's Proportionate Share of the Net Pension Liability	\$ 15,885,119.00	\$ 13,841,788.00	\$ 10,840,318.00	\$ 11,255,156.00	
State's Proportionate Share of the Net Pension Liability associated with the City	1,333,956.00	1,213,878.00	1,167,320.00	1,049,117.00	
Total	<u>\$ 17,219,075.00</u>	<u>\$ 15,055,666.00</u>	<u>\$ 12,007,638.00</u>	<u>\$ 12,304,273.00</u>	
City's Covered Payroll (Plan Measurement Period)	\$ 2,564,700.00	\$ 2,599,744.00	\$ 2,721,904.00	\$ 2,645,540.00	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	619.38%	532.43%	398.26%	425.44%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Contractually Required Contribution	\$ 902,742.00	\$ 877,105.00	\$ 814,623.00	\$ 760,334.00	\$ 728,955.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(902,742.00)</u>	<u>(877,105.00)</u>	<u>(814,623.00)</u>	<u>(760,334.00)</u>	<u>(728,955.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 2,739,401.00	\$ 2,745,998.00	\$ 2,676,768.00	\$ 2,693,272.00	\$ 2,619,948.00
City's Contributions as a Percentage of Covered Payroll	32.95%	31.94%	30.43%	28.23%	27.82%
	<u>Year Ended December 31,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 678,013.00	\$ 675,490.00	\$ 661,902.00	\$ 617,681.00	
City's Contribution in Relation to the Contractually Required Contribution	<u>(678,013.00)</u>	<u>(675,490.00)</u>	<u>(661,902.00)</u>	<u>(617,681.00)</u>	
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll (Calendar Year)	\$ 2,657,229.00	\$ 2,532,514.00	\$ 2,600,055.00	\$ 2,645,494.00	
City's Contributions as a Percentage of Covered Payroll	25.52%	26.67%	25.46%	23.35%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	6.14%
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the State Health Benefit Local Government Retired Employees Plan**

Plan Description and Benefits Provided - The City 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>.

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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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 City was billed monthly by the Plan and paid \$880,540.62, for the year ended December 31, 2021, representing 17.23% of the City's covered payroll. During the year ended December 31, 2021, retirees were required to contribute \$19,982.22 to the Plan.

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

OPEB Liability - At December 31, 2021, the City's proportionate share of the net OPEB liability was \$23,363,356.00.

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 City'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 City's proportion was 0.129798%, which was an increase of 0.020393% from its proportion measured as of the June 30, 2020 measurement date.

OPEB (Benefit) Expense - At December 31, 2021, the City's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is \$601,669.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the City made contributions to the Plan totaling \$880,540.62.

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 524,246.00	\$ 4,887,959.00
Changes of Assumptions	3,360,889.00	4,129,748.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	11,171.00	-
Changes in Proportion	5,821,408.00	2,303,140.00
Contributions Subsequent to the Measurement Date	438,453.60	-
	<u>\$ 10,156,167.60</u>	<u>\$ 11,320,847.00</u>

Note 9: 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) - Deferred outflows of resources in the amount of \$438,453.60 will be included as a reduction of the City's net OPEB liability during the year ending December 31, 2022. The City 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:

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

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	\$ (1,049,062.00)
2023	(1,050,898.00)
2024	(1,052,574.00)
2025	(411,267.00)
2026	418,720.00
Thereafter	<u>1,541,948.00</u>
	<u>\$ (1,603,133.00)</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**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.

PFRS mortality rates were based on Pub-2010 Safety 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 PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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 pay interest to participants on a monthly basis.

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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions (Cont'd)

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

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMP Post-65	
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>
City's Proportionate Share of the Net OPEB Liability	\$ 27,494,189.00	\$ 23,363,356.00	\$ 20,089,582.00

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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 19,492,907.00	\$ 23,363,356.00	\$ 28,413,812.00

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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**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 City'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>
City's Proportion of the Net OPEB Liability	0.129798%	0.109405%	0.098362%	0.109112%	0.108658%
City's Proportionate Share of the Net OPEB Liability	\$ 23,363,356.00	\$ 19,634,492.00	\$ 13,324,186.00	\$ 17,094,160.00	\$ 22,183,388.00
City's Covered Payroll (Plan Measurement Period)	\$ 5,122,458.00	\$ 5,143,707.00	\$ 4,916,167.00	\$ 4,814,954.00	\$ 5,006,782.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	456.10%	381.72%	271.03%	355.02%	443.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Schedule of the City'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>
City's Required Contributions	\$ 880,540.62	\$ 781,485.02	\$ 750,308.59	\$ 1,242,274.56	\$ 1,224,308.78
City's Contributions in Relation to the Required Contribution	(880,540.62)	(781,485.02)	(750,308.59)	(1,242,274.56)	(1,224,308.78)
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll (Calendar Year)	\$ 5,111,906.00	\$ 5,164,911.00	\$ 5,055,131.00	\$ 4,803,096.00	\$ 4,893,923.00
City's Contributions as a Percentage of Covered Payroll	17.23%	15.13%	14.84%	25.86%	25.02%

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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Other Notes to Supplementary OPEB Information (Cont'd)

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.

CITY OF WOODBURY POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The City provides postretirement health care benefits through a health plan for retirees, which includes reimbursement of the Medicare Part B premium for retirees or surviving spouses. The City provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: police officers, firemen, and employees of the department of public works with the City and who have at least twenty-five (25) years of public employment, of which at least twenty (20) are in service with the City. Reimbursement of Medicare Part B premiums are provided to eligible retired employees and their surviving spouses. Currently, medical and prescription drug benefits are provided by the State Health Benefits Plan. Therefore, the liabilities are not included in this valuation. The reimbursement of the Medicare Part B premium for retirees or surviving Spouses upon the death of the retiree is included in this valuation for the Police (PBA) and Fire (FMBA) unions. Those covered under DPW with 25 years of service as of November 27, 2018 are also entitled to receive the Medicare reimbursement. Dental benefits and life insurance are not provided to retired employees or spouses.

Employees Covered by Benefit Terms - As of December 31, 2021, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	20
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	31
	51

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF WOODBURY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability**

The City's total OPEB liability of \$1,138,069.00 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Mortality Rate	RP-2014 Mortality Table projected with Scale MP 18
Discount Rate	2.25%
Age at Retirement	No earlier than age 55
Healthcare Cost Trend Rates	Medical: Gross costs will increase an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Pre-Medicare medical benefits.
Administration Expenses	Annual cost to administer the retiree claims is approximately 2% and is included in the annual health care costs.

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the RP-2014 Mortality Table projected with Scale MP 18.

An experience study was not performed on the actuarial assumptions used in the December 31, 2021 valuation since the Plan had insufficient data to produce a study with credible results.

Changes in Total OPEB Liability

Balance at December 31, 2020		\$ 1,206,608.00
Changes for the Year:		
Service Cost	\$ 63,121.00	
Interest Cost	22,718.00	
Benefit Payments	(34,293.00)	
Difference between Expected and Actual Experience	(120,085.00)	
Changes in Assumptions	<u>-</u>	
Net Changes		<u>(68,539.00)</u>
Balance at December 31, 2021		<u>\$ 1,138,069.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 1.91% at December 31, 2020 to 2.25% at December 31, 2021.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF WOODBURY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability (Cont'd)**

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2021</u>		
	1.00% Decrease (1.25%)	Current Discount Rate (2.25%)	1.00% Increase (3.25%)
Total OPEB Liability	<u>\$ 1,408,743.00</u>	<u>\$ 1,138,069.00</u>	<u>\$ 931,402.00</u>

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

	<u>December 31, 2021</u>		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 892,212.00</u>	<u>\$ 1,138,069.00</u>	<u>\$ 1,491,824.00</u>

For the year ended December 31, 2021, the City recognized OPEB (benefit) expense of \$145,808.00. As of December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 399,013.00	\$ 144,819.00
Changes in Method		
Difference Between Expected and Actual Experience	<u>142,605.00</u>	<u>257,847.00</u>
	<u>\$ 541,618.00</u>	<u>\$ 402,666.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

CITY OF WOODBURY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Changes in Total OPEB Liability (Cont'd)

Sensitivity of Total OPEB Liability to Changes in Discount Rate (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending <u>Dec 31,</u>		
2022	\$	28,175.00
2023		28,175.00
2024		28,175.00
2025		28,175.00
2026		26,252.00
	<u>\$</u>	<u>138,952.00</u>

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the City's OPEB 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 Changes in the City's Total OPEB Liability and Related Ratios (Last Four Years):

	Plan Measurement Date December 31,			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 63,121.00	\$ 48,634.00	\$ 33,088.00	\$ 33,088.00
Interest Cost	22,718.00	27,639.00	31,994.00	25,015.00
Benefit Payments	(34,293.00)	(34,146.00)	(34,146.00)	(34,146.00)
Difference Between Expected and Actual Experience	(120,085.00)	174,137.00	216,349.00	(80,395.00)
Changes in Assumptions	-	(136,730.00)	(16,231.00)	248,153.00
	(68,539.00)	79,534.00	231,054.00	191,715.00
Net Change in Total OPEB Liability				
Total OPEB Liability, January 1,	1,206,608.00	1,127,074.00	896,020.00	704,305.00
Total OPEB Liability, December 31,	<u>\$ 1,138,069.00</u>	<u>\$ 1,206,608.00</u>	<u>\$ 1,127,074.00</u>	<u>\$ 896,020.00</u>
Covered-Employee Payroll	\$ 5,111,906.00	\$ 5,164,911.00	\$ 5,055,131.00	\$ 4,803,096.00
Total OPEB Liability as a Percentage of Covered Payroll	22.26%	23.36%	22.30%	18.66%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF WOODBURY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Changes of Benefit Terms:

None.

Changes of Assumptions:

The discount rate used as of December 31 measurement date is as follows:

<u>Year</u>	<u>Rate</u>
2021	2.25%
2020	1.91%
2019	3.26%
2018	3.64%

Note 10: COMPENSATED ABSENCES

Under the existing policy of the City, each officer of the Police Department assigned to a twenty-eight (28) day cycle per year of shift duty are entitled to one hundred and ten (110) hours of compensatory time per year in order that the shift work be equivalent to that which would have been worked in a forty (40) hour work week a year. Unused compensatory time may be accumulated and carried forward to the subsequent year.

The City requires that employees of the Police Department exhaust all of their available compensatory time prior to retirement or resignation, unless the voluntary separation is as of a result of a disability, or other unforeseen circumstance. The unused compensatory time upon separation would be payable if the time was unable to be utilized due to a business necessity.

The City does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$287,160.72.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The City 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 City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

Note 12: CAPITAL DEBT**Long Term Loans - General Capital Fund****State of New Jersey Green Acres Assistance Loan Payable:**

The City of Woodbury has entered into loan agreements with the State of New Jersey under the Green Acres Program. The loans shall be repaid in semi-annual installments over a period not to exceed 20 years. Interest shall accrue at a rate of not more than 2.00%.

	Interest Rate	Original Amounts	Last Maturity Date	Balance Dec. 31, 2021
Green Acres Assistance Loans	2.00%	\$ 1,166,000.00	2030	<u>\$ 341,406.56</u>

Long-Term Loans – Water-Sewer Utility Capital Fund**State of New Jersey Environmental Infrastructure Loan Payable:**

The City of Woodbury entered into a loan agreements with the State of New Jersey Environmental Infrastructure Trust in 2010 and 2013. The loan consists of two parts- a Trust Loan repayable at market interest rates and a Fund Loan repayable with no interest.

	Interest Rate	Last Maturity Date	Amount Issued	Balance Dec. 31, 2021
2013 Trust Loan	3% to 5%	2032	\$ 1,265,000.00	\$ 840,000.00
2013 Fund Loan	None	2032	1,339,883.00	738,641.23
2010 Trust Loan	4% to 5%	2029	725,000.00	357,000.00
2010 Fund Loan	None	2028	2,217,010.00	774,638.60
			<u>\$ 5,546,893.00</u>	<u>\$ 2,710,279.83</u>

Schedule of Annual Debt Service for Principal and Interest for Long-Term Loans

Year	General		Water-Sewer Utility		Total
	Principal	Interest	Principal	Interest	
2022	\$ 51,023.83	\$ 4,458.58	\$ 285,103.37	\$ 48,800.00	\$ 389,385.78
2023	51,791.69	3,690.70	285,103.37	44,680.00	385,265.76
2024	52,575.03	2,907.37	295,103.37	39,910.00	390,495.77
2025	53,373.95	2,108.31	295,103.37	34,690.00	385,275.63
2026	54,189.23	1,293.19	304,103.37	30,870.00	390,455.79
2027-2031	78,452.83	619.77	1,110,862.25	88,200.00	1,278,134.85
2032			134,900.73	6,495.00	141,395.73
	<u>\$ 341,406.56</u>	<u>\$ 15,077.92</u>	<u>\$ 2,710,279.83</u>	<u>\$ 293,645.00</u>	<u>\$ 3,360,409.31</u>

Note 12: CAPITAL DEBT (CONT'D)**General Improvement Bonds**

Taxable Refunding Bonds, Series 2003 - On April 1, 2003, the City issued \$1,345,000.00 of taxable refunding bonds, with interest rates ranging from 5.60% to 5.70%. The bonds were issued in accordance with the Early Retirement Refinancing Act, P.L. 2002, c.42 to fund the costs and expenses of retiring the present value of the unfunded accrued liability due and owing for early retirement incentive benefits. The final maturity of the bonds is April 1, 2025. The bonds will be paid from property taxes.

General Obligation Refunding Bonds, Series 2011 - On November 28, 2011, the City issued \$2,935,000.00 of water and sewer utility bonds, with interest rates ranging from 2.00% to 4.00% to refund \$3,002,000.00 of outstanding 2002 general obligation bonds with an interest rate of 4.00%. The final maturity of these bonds is August 1, 2022. The water and sewer utility bonds will be paid from rents.

General Obligation Bonds, Series 2017 - On June 7, 2017, the City issued \$14,800,000.00 of general obligation bonds consisting of \$10,335,000.00 general improvement bonds and \$4,465,000.00 water and sewer utility bonds, with interest rates ranging from 1.25% to 3.00%. The final maturity of these bonds is May 1, 2037. The general capital bonds will be paid from property taxes and the water and sewer utility bonds will be paid from rents.

General Obligation Refunding Bonds, Series 2020 - On September 10, 2020, the City issued \$3,310,000.00 of general obligation refunding bonds consisting of \$1,115,000.00 general improvement refunding bonds and \$2,195,000.00 water and sewer utility refunding bonds, with interest rates of 4.00% to refund \$3,550,000.00 of outstanding 2009 general obligation bonds, consisting of \$1,150,000.00 general improvement bonds and \$2,400,000.00 with an interest rate 4.00%. The final maturity of these bonds is November 1, 2029. The general capital bonds will be paid from property taxes and the water and sewer utility bonds will be paid from rents.

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

<u>Year</u>	<u>General</u>		<u>Water-Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 835,000.00	\$ 289,055.00	\$ 750,000.00	\$ 189,550.00	\$ 2,063,605.00
2023	865,000.00	263,287.50	425,000.00	163,200.00	1,716,487.50
2024	890,000.00	235,615.00	435,000.00	169,950.00	1,730,565.00
2025	660,000.00	207,145.00	420,000.00	136,400.00	1,423,545.00
2026	735,000.00	186,375.00	430,000.00	122,450.00	1,473,825.00
2027-2031	3,675,000.00	601,125.00	1,800,000.00	390,075.00	6,466,200.00
2032-2036	2,170,000.00	98,700.00	1,370,000.00	150,150.00	3,788,850.00
2037			295,000.00	4,425.00	299,425.00
	<u>\$ 9,830,000.00</u>	<u>\$ 1,881,302.50</u>	<u>\$ 5,925,000.00</u>	<u>\$ 1,326,200.00</u>	<u>\$ 18,962,502.50</u>

Note 12: CAPITAL DEBT (CONT'D)**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Cont'd)**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 16,406,406.56	\$ 16,624,177.62	\$ 14,561,210.77
Water - Sewer Utility:			
Bonds and Notes	11,915,779.83	12,909,883.20	12,244,486.57
Total Issued	<u>28,322,186.39</u>	<u>29,534,060.82</u>	<u>26,805,697.34</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,084,566.72	2,722,066.72	4,424,566.72
Water - Sewer Utility:			
Bonds and Notes	7,377.72	7,377.72	1,117,377.72
Total Authorized but not Issued	<u>2,091,944.44</u>	<u>2,729,444.44</u>	<u>5,541,944.44</u>
Total Issued and Authorized but not Issued	<u>30,414,130.83</u>	<u>32,263,505.26</u>	<u>32,347,641.78</u>
<u>Deductions</u>			
Cash Pledged to the Payment of Bonds --			
General Fund	12,986.50	12,986.50	12,986.50
Water-Sewer Utility	488.90	488.90	488.90
Self-Liquidating	11,393,530.35	12,916,772.02	13,361,375.39
Total Deductions	<u>11,407,005.75</u>	<u>12,930,247.42</u>	<u>13,374,850.79</u>
Net Debt	<u>\$ 19,007,125.08</u>	<u>\$ 19,333,257.84</u>	<u>\$ 18,972,790.99</u>

Note 12: CAPITAL DEBT (CONT'D)**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 3.004%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 1,715,000.00	\$ 1,715,000.00	
Water - Sewer Utility	11,923,157.55	11,394,019.25	\$ 529,138.30
General	18,490,973.28	12,986.50	18,477,986.78
	<u>\$ 32,129,130.83</u>	<u>\$ 13,122,005.75</u>	<u>\$ 19,007,125.08</u>

Net debt \$19,007,125.08 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$632,728,291.67, equals 3.004%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 22,145,490.21
Less: Net Debt	<u>19,007,125.08</u>
Remaining Borrowing Power	<u>\$ 3,138,365.13</u>

**Calculation of "Self-Liquidating Purpose,"
Water - 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	\$ 5,270,545.88
Deductions:	
Operating and Maintenance Costs	\$ 3,999,610.07
Debt Service	<u>1,297,417.17</u>
Total Deductions	<u>5,297,027.24</u>
Deficit in Revenue	<u>\$ (26,481.36)</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 13: RISK MANAGEMENT

The City 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.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<u>Year</u>	<u>City Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 30,000.00	\$ 8,760.63	\$ 101,907.46
2020	30,000.00	7,484.67	80,668.09
2019	5,000.00	984.63	58,152.76

Joint Insurance Pool - The City is a member of the Gloucester, Salem and Cumberland County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

- General Liability
- Automobile Liability
- Property (Including Auto Physical Damage)
- Fidelity and Performance (Blanket)
- Boiler and Machinery
- Workers' Compensation
- Police Professional
- Public Officials and Employment Practices Liability (EPL)
- Motor Vehicles

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 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 Fund publishes its own financial report for the year ended December 31, 2021, which can be obtained from:

Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund
P.O. Box 345
Voorhees, New Jersey 08043

Note 14: 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 City expects such amount, if any, to be immaterial.

Note 15: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The City's length of service awards program (the "Plan"), which is a defined contribution plan reported in the City's trust fund, was created by a City Resolution adopted on May 11, 1993 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The City also submitted notification on March 12, 1998 of a LOSAP program to the Division of Local Government Services for a program established prior to the 1997 provisions. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The tax deferred income benefits for active volunteer firefighters and emergency medical personnel come from contributions made solely by the governing body of the City, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The City may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the City, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the City's governing body, provided, however, that any amendment required by the IRS, may be adopted by the City's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the City shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The City may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the City shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The City elected to contribute between \$100.00 and \$1,000.00 for the year ended December 31, 2021, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

Participant Accounts - Each participant's account is credited with the City's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The City has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the City to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the City. These funds, however, are not available for funding the operations of the City.

Note 15: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Vesting - The City, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2021, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the City's length of service awards program can be obtained by contacting the Plan Administrator.

Note 16: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2021, several tax appeals were on file against the City. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the City, the estimated impact of the tax refunds could be material.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Roadway and Stormwater Improvements	5/11/2022	\$ 774,250.00
Various Capital Equipment	12/14/2022	76,000.00
Utility Improvements		
Various Improvements for the Water and Sewer Utility	12/14/2022	878,750.00

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 City'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.

Note 17: TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the Long Term Tax Exemption Law, Five-Year Exemption and Abatement Law and Local Redevelopment and House Law. Under these laws, municipalities may grant property tax abatements of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions or to help entities undertake urban renewal projects. The abatements may be granted to any business located within or promising to relocate to the City.

For the year ended December 31, 2021, the City abated property taxes totaling \$1,340,044.16 under these laws, including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- Thirty-eight percent (38%) of the total property tax abatement to a commercial / industry project for patient rehabilitation. The abatement amounted to \$513,874.01.
- Forty-three percent (43%) of the total property tax abatement to an affordable housing project. The abatement amounted to \$578,951.07.
- Eleven percent (11%) of the total property tax abatement to an affordable housing project. The abatement amounted to \$150,300.67.

APPENDIX C
FORM OF BOND COUNSEL OPINION



November 22, 2023

Mayor and City Council
of the City of Woodbury
33 Delaware Street
Woodbury, New Jersey

RE: \$13,594,000 CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2023

Mayor and Council Members:

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

The Bonds are authorized pursuant to and in accordance with: (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 City Council and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the City Council on October 16, 2023 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on November 9, 2023 ("Award Certificate").

The Bonds are dated their date of delivery, mature on November 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 in the table below, payable semi-annually on May 1 and November 1, commencing May 1, 2024, in each year until maturity or earlier redemption.

[Remainder of Page Intentionally Left Blank]



<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Combined</u>	<u>Interest Rate</u>	<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Combined</u>	<u>Interest Rate</u>
2024	\$	\$	\$	%	2039	\$	\$	\$	%
2025					2040				
2026					2041				
2027					2042				
2028					2043				
2029					2044				
2030					2045				
2031					2046				
2032					2047				
2033					2048				
2034					2049				
2035					2050				
2036					2051				
2037					2052				
2038									

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

The Bonds are being issued 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 certain bond anticipation notes heretofore issued by the City; (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.

As the basis for the opinions 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 City 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, certifications and opinions 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 City enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal and interest on the Bonds, the City 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 City 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 will 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 City 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 City 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 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 City has *not* designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

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 are 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 City 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 22nd day of November, 2023, between the City of Woodbury, County of Gloucester, New Jersey ("City") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the City of its General Obligation Bonds, Series 2023, in the principal amount of \$13,594,000 ("Bonds"). The Bonds consist of: (i) \$8,240,000 General Improvement Bonds; and (iii) \$5,354,000 Water and Sewer Utility 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 City'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 City 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 Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the City and which has filed with the City 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 City, dated November __, 2023, relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The City 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 City'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 City (commencing for the fiscal year ending December 31, 2023). Each Annual Report provided to the Dissemination Agent by the City 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 City, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the City 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 City 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 City advising of such failure. Whether or not such notice is given or received, if the City 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 City) 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 City'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 City 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 City are included in the Annual Report; and (ii) the general financial information and operating data of the City consistent with the information set forth in Appendix A to the Official Statement. 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.

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.

(b) The City shall within ten (10) 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), (14) or (15) of subsection (a) of this Section 5, the City may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the City 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 City.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the City under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the City 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 City 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 City 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 City 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 City 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 City 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 City to comply with its obligations under this Disclosure Agreement. A failure of the City 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 City 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 City:

City of Woodbury
33 Delaware Street
Woodbury, New Jersey 08096
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey 08054
Attention: Brittany M. Whelan, Senior Vice President

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 10 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, 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 City 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 City 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.

CITY OF WOODBURY, NEW JERSEY

By: _____
ROBERT LAW, Chief Financial Officer

**ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent**

By: _____
BRITTANY M. WHELAN, Senior Vice President

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: City of Woodbury, County of Gloucester, New Jersey

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

Date of Issuance of the Affected
Bond Issue: November 22, 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 November 22, 2023, between the City 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: _____

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

cc: City of Woodbury, New Jersey