

OFFICIAL STATEMENT DATED DECEMBER 3, 2024

NEW ISSUE

RATING: S&P: SP-1+
(See "RATING" herein)

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 Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and does 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 Notes and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$5,500,262
CITY OF WOODBURY
County of Gloucester, New Jersey
BOND ANTICIPATION NOTES OF 2024, SERIES A
Consisting of:
\$3,576,512 General Capital Improvement Notes
\$1,923,750 Water and Sewer Utility Improvement Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

COUPON: 3.75% YIELD: 2.90% CUSIP*: 979149JG7

Dated: Date of Delivery

Due: December 11, 2025

The \$5,500,262 Bond Anticipation Notes of 2024, Series A ("Notes"), are general obligations of the City of Woodbury, County of Gloucester, New Jersey (the "City"), payable from *ad valorem* taxes levied upon all the taxable property within the City without limitation as to rate or amount, as more fully described herein. The Notes consist of: (i) \$3,576,512 principal amount of General Capital Improvement Notes; and (ii) \$1,923,750 principal amount of Water and Sewer Utility Improvement Notes.

The Notes will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of beneficial ownership interests in the Notes may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes.

Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity. The Notes will bear interest at the rate per annum indicated above, commencing from their date of delivery. While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. The Notes are not subject to redemption prior to their stated maturity date.

The Notes 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 2403-24, 2404-24, and 2415-24, each duly and finally adopted by the City Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on December 3, 2024.

The Notes are being issued by the City to provide funds which will be used to: (i) temporarily 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 (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

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 Notes 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 to the City in connection with the Notes. The Notes are expected to be available for delivery in definitive form through DTC in New York, New York on or about December 12, 2024.

* "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. The CUSIP number listed above for the Notes is being provided solely for the convenience of holders of the Notes only at the time of issuance of the City. The City does not make any representations with respect to such CUSIP number or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes 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 the Notes.

**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
Norlyn Garlic	Second Ward
Frances Harwell	Second Ward
Robert Johnson	Third Ward
Sam Ferraino	Third Ward
Philip D. Hagerty	Third Ward

**City Administrator
John Leech**

**Chief Financial Officer
Robert Law**

**City Clerk
Cassidy Swanson**

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

**Auditor
Bowman & Company LLP
Voorhees, New Jersey**

**Bond Counsel
Parker McCay P.A.
Mount Laurel, New Jersey**

**Municipal Advisor
Acacia Financial Group, Inc.
Mount Laurel, New Jersey**

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 Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the 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 Underwriter 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 Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriter.

Upon issuance, the Notes 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 NOTES 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.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE NOTES	1
AUTHORIZATION AND PURPOSE OF THE NOTES	2
BOOK-ENTRY ONLY SYSTEM.....	3
General.....	3
Discontinuation of Book-Entry Only System	5
SECURITY AND SOURCE OF PAYMENT	5
GENERAL INFORMATION REGARDING THE CITY	5
General.....	5
Financial.....	5
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT	6
Local Bond Law.....	6
Local Fiscal Affairs Law	7
The Local Budget Law.....	7
Miscellaneous Revenues.....	8
Real Estate Taxes.....	9
Deferral of Current Expenses.....	9
Budget Transfers	10
Capital Budget	10
Related Constitutional and Statutory Provisions	10
Rights and Remedies of Owners of Bonds	10
Limitation of Remedies Under Federal Bankruptcy Code.....	11
TAXATION.....	12
Procedure for Assessment and Collection of Taxes.....	12
Tax Appeals	12
LITIGATION.....	12
RATING	13
TAX MATTERS.....	13
Federal	13
New Jersey.....	14
Changes in Federal and State Tax Law.....	14
CONTINUING DISCLOSURE.....	15
NO DEFAULT.....	15
CERTAIN RISK FACTORS	15
Recent Healthcare Developments	15
Cyber Security	15
Climate Change.....	16
UNDERWRITING	16
MUNICIPAL ADVISOR.....	16
APPROVAL OF LEGAL PROCEEDINGS.....	16
LEGALITY FOR INVESTMENT.....	17
PREPARATION OF OFFICIAL STATEMENT	17
ADDITIONAL INFORMATION.....	17
APPENDIX A	CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE CITY OF WOODBURY
APPENDIX B	FINANCIAL STATEMENTS OF THE CITY OF WOODBURY
APPENDIX C	FORM OF BOND COUNSEL OPINION
APPENDIX D	FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT

OFFICIAL STATEMENT
Relating to

\$5,500,262
CITY OF WOODBURY
County of Gloucester, New Jersey
BOND ANTICIPATION NOTES OF 2024, SERIES A
Consisting of:
\$3,576,512 General Capital Improvement Notes
\$1,923,750 Water-Sewer Utility Improvement Notes
(BOOK-ENTRY ONLY) (NON-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 sale and the issuance of its \$5,500,262 Bond Anticipation Notes of 2024, Series A (“Notes”). The Notes consist of: (i) \$3,576,512 principal amount of General Capital Improvement Notes; and (ii) \$1,923,750 principal amount of Water and Sewer Utility Improvement Notes. 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 Notes.

THE NOTES

The Notes shall be dated and shall bear interest from their date of delivery and shall mature on the date and in the amount shown on the front cover page hereof. The Notes shall bear interest, payable at maturity, at the rate shown on the front cover page hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to their stated maturity date.

The Notes will be issued as fully registered notes in book-entry only form, if applicable, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC, if applicable. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes 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 2403-24, 2404-24, and 2415-24 (collectively, the “Bond Ordinances”), each duly and finally adopted by the City Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on December 3, 2024.

The Notes are being issued by the City to provide funds which will be used to: (i) temporarily 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 (ii) pay certain costs and expenses incidental to the issuance and delivery of the Notes. The following table sets forth certain information with respect to the Bond Ordinances authorizing the Notes.

General Capital

<u>Ordinance Number</u>	<u>Description</u>	Amount Authorized	Amount of Notes to be Issued
2403-24	Various General Capital Improvements	\$2,452,900	\$2,452,900
2415-24	Various General Capital Improvements	1,123,612	1,123,612
	Total:	\$3,576,512	\$3,576,512

Water and Sewer Utility

<u>Ordinance Number</u>	<u>Description</u>	Amount Authorized	Amount of Notes to be Issued
2404-24	Various Water and Sewer Improvements	\$1,923,750	\$1,923,750
	Total:	\$1,923,750	\$1,923,750

BOOK-ENTRY ONLY SYSTEM

General

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes 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 concerning these matters.

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

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

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

To facilitate subsequent transfers, all Notes deposited by 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes 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 Notes, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or 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 nor its nominee, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants is 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 Notes at any time by giving reasonable notice to the City or the agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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 the City takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System

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

In the event that the book-entry only system for the Notes is discontinued, the City has provided that upon receipt of the Note certificates from DTC and the Participant information, the City will authenticate (or cause to be authenticated) and deliver definitive Notes to the holders thereof, and the principal of and interest on the Notes will be payable and the Notes may thereafter be transferred or exchanged in the manner described in the Note certificates so provided.

SECURITY AND SOURCE OF PAYMENT

The Notes 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 Notes. Unless paid from other sources, the Notes are payable from *ad valorem* taxes to be levied upon all the taxable real property within the City without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Notes 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 Notes, and has no power to pledge the credit or taxing power of the State of New Jersey ("State") or any other political subdivision thereof, nor shall the Notes 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 Notes.

GENERAL INFORMATION REGARDING THE CITY

General

The City is located in the County of Gloucester, New Jersey ("County"). 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 audited financial statements of the City for the year ended December 31, 2023. The financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, 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 Notes, 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 State Department of Community Affairs, Division of Local Government Services, Local Finance Board (“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, 2023 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.

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 his 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 Notes. 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.

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 Notes.

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 Notes 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 NOTES.

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 73.85%. 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 Solicitor 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.

LITIGATION

To the knowledge of the City’s Solicitor, Timothy D. Scaffidi, Esquire (“Solicitor”), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or 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 Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the City if adversely decided.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "SP-1+" to the Notes based upon the creditworthiness of the City.

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

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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes 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 Notes that may affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes 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 Notes 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 Notes 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 Notes.

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** designated the Notes as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code.

Owners of the Notes 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 Notes 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 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 Notes. 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 Notes.

PROSPECTIVE PURCHASERS OF THE NOTES 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 NOTES AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City has undertaken to file notice of certain enumerated events, pursuant to Information Reporting Undertaking Agreement for the Notes, substantially in the form set forth in Appendix "D" hereto.

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.

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 newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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 on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan 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.

While the effects of COVID-19 have abated significantly, 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 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.

Climate Change

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 Notes have been purchased from the City at a public sale by Jefferies LLC (“Underwriter”) at a price of \$5,539,753.88 (the “Purchase Price”). The Purchase Price reflects the principal amount of the Notes plus a bid premium of \$39,491.88.

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

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as municipal advisor to the City (“Municipal Advisor”) with respect to the issuance of the Notes. 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 Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth in Appendix “C” hereto. Certain legal matters will be passed on for the City by the 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 Notes 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 Notes, and such Notes 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 Notes by certificates signed by various officers and officials of the City upon issuance and delivery of the Notes.

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.

Bowman & Company LLP 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. Bowman & Company LLP, Voorhees, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

Parker McCay P.A. 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.

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, at 856-845-1300, or to the City's Municipal Advisor, Acacia Financial Group, Inc., at 856-234-2266.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the Chief Financial Officer of the City for and on behalf of the City.

CITY OF WOODBURY, NEW JERSEY

By: /s/ Robert Law
ROBERT LAW, Chief Financial Officer

Dated: December 3, 2024

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC
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 and 2024, two (2) cannabis retail businesses have opened in the City, and one (1) more is 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. The City has upgraded their water treatment plant with activated carbon filter for the removal of PFNA. The City has also installed a SCADA software system.

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 twelve (12) 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 two (2) full-time clerical staff, one (1) full-time evidence/fleet maintenance person and one (1) part-time firearm background investigator liaison. 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 one (1) part-time employees, and four (4) 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. During the years 2017 to 2024, the City has received Green Acres grants and loans from the State of New Jersey in order to create a pedestrian walking and bike path, as well as creating a pavilion and playground area at Stewart Lake Park. In 2024, the City received a \$1.5 million TA Set-Aside Federal Aid Grant which will provide for the expansion of our bike/pedestrian path project. Also in 2024, the City has funded a new sod surface for the youth football field at Stewart Lake Park, and received a Green Acres Grant to renovate the Frances Avenue sports complex.

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. A new ER facility and Behavioral Health building opened in 2024. 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>2023</u>	<u>2022</u>	December 31, <u>2021</u>	<u>2020</u>	<u>2019</u>
Permanent	99	81	75	78	89
Part-time	<u>58</u>	<u>66</u>	<u>46</u>	<u>37</u>	<u>47</u>
Total	<u>157</u>	<u>147</u>	<u>121</u>	<u>115</u>	<u>136</u>

Employee Collective Bargaining Units

<u>Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Policemen's Benevolent Association	32	12/31/2028
United Food & Commercial Workers Union – Public Works	33	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	3	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 2022 Data for the City (1)

Median household income	\$75,425
Per capita income	\$39,725

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

Labor Force(1)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City					
Labor Force	5,392	5,258	5,184	5,169	4,936
Employment	5,104	5,047	4,831	4,640	4,731
Unemployment	288	211	353	529	205
Unemployment Rate	5.3%	4.0%	6.8%	10.2%	4.2%
County					
Labor Force	164,258	161,341	158,303	156,923	149,747
Employment	157,191	155,427	148,799	142,899	144,238
Unemployment	7,067	5,914	9,504	14,024	5,509
Unemployment Rate	4.3%	3.7%	6.0%	8.9%	3.7%
State					
Labor Force	4,829,671	4,739,800	4,661,100	4,495,200	4,493,100
Employment	4,615,722	4,564,100	4,365,400	4,055,300	4,333,300
Unemployment	213,949	175,700	295,700	439,900	159,800
Unemployment Rate	4.4%	3.7%	6.3%	9.8%	3.6%

TEN LARGEST EMPLOYERS IN THE COUNTY(2)

<u>Employer</u>	<u>Nature of Business</u>	<u>Location</u>	<u>Number of Employees</u>
Rowan University	University	Glassboro	3,500
Inspira Healthcare Network	Hospital	Mullica Hill	1,222
Walmart Supercenter	Retail	Turnersville	800
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.

(1) Source: New Jersey Department of Labor

(2) Source: Gloucester County Economic Development website

Building Permits(1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction Work</u>
2024(2)	412	\$5,011,596
2023	559	41,129,721
2022	596	109,436,096
2021	559	7,392,924
2020	531	6,546,594
2019	613	10,642,626

EDUCATION (3)

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>2023</u>	<u>2022</u>	<u>October 15</u>		
			<u>2021</u>	<u>2020</u>	<u>2019</u>
Pre-K	140	131	125	102	138
K	108	107	111	116	117
1	119	105	98	112	113
2	90	93	113	101	116
3	98	99	92	109	106
4	102	89	119	105	93
5	92	110	99	94	102
6	109	99	98	99	89
7	93	92	100	98	96
8	91	105	94	92	95
9	100	95	103	94	88
10	91	95	89	85	70
11	82	86	90	70	70
12	88	86	74	66	70
Spec. Ed.	<u>305</u>	<u>278</u>	<u>281</u>	<u>261</u>	<u>252</u>
Totals	<u>1,708</u>	<u>1,670</u>	<u>1,686</u>	<u>1,604</u>	<u>1,615</u>

(1) Source: City Construction Official

(2) As of October 1, 2024

(3) Source: Business Administrator/Board Secretary

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, 2023</u>	<u>Functional Capacity</u>
Evergreen Avenue	1952	1956,1967,2000,2001	Pre-K-5	310	325
West End Elementary	1949	1955,1968,1999	K-5	442	380
Walnut Street	1898	1927,1967,2000	Pre-K-5	128	130
Woodbury Jr. Sr. High School	1908	1924,1958,1968,2000	6-12	<u>828</u>	<u>765</u>
				<u>1,708</u>	<u>1,600</u>

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, 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 community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2023⁽²⁾ semester was 5,615 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 beginning 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.

(1) Source: Business Administrator/Board Secretary
 (2) Represents the latest data available. (Unaudited)

In 2021, projects completed 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

Today, Rowan 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 nearly 23,000 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2023, include 98 bachelor's degrees, 58 master's degrees, 16 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.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

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 2023, U.S. News & World Report ranked Rowan #163 among national research universities and #88 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #104
- Best Colleges for Veterans – National Universities, #113
- Social Mobility – National Universities, #91

The Chronicle of Higher Education recognized Rowan as the nation's 4th fastest-growing research university in the U.S. in August of 2023.

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.

The University has a campus in Camden. In addition to the Camden campus, the University also has two medical schools: CMSRU located in Camden and Rowan-Virtua SOM with campuses in Stratford, and Sewell, New Jersey. Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan 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 broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine ("Shreiber SVM") building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.



Campus Facilities

Construction of Discovery Hall, an approximately 68,000 square foot building which includes additional laboratories, classrooms and permanent space for the staff and faculty of the School of Earth and Environment and the College of Science & Mathematics, was completed in September 2021.

The Chamberlain Student Center (CSC) is a 132,245 square foot building that provides a safe, welcoming and inclusive environment for all members of the Rowan University community. The CSC is currently undergoing an expansion with the construction of a new addition. The new addition is an opportunity to enrich the social and intellectual experiences on campus by providing space to facilitate collaborative working, student work and flexible social space so students can see and be seen. The new addition includes a student and class demonstration area where students can present and demonstrate their work in an open common space for other students. The 2-story 38,500 square foot addition to the CSC is under construction and is expected to be completed in Fall 2024.

The Jean & Ric Edelman Fossil Park (“Fossil Park”), a 44,000 square foot museum and dig site in Mantua New Jersey is currently under construction which will provide researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of the dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University’s School of Earth & Environment. With access to the Fossil Park, Rowan students will have an unprecedented opportunity to perform and observe research pertaining to the period of extinction of the dinosaurs. It is anticipated that each week in the Fall and Spring, elementary and middle school-aged students from the region will visit the Fossil Park to explore how fossils form and participate in a dig for 65-million-year-old fossils. Each visit to the Fossil Park will be tailored to meet the expectations of the class and to support curriculum standards. The Fossil Park is expected to be complete and open to visitors in March 2025.

The new Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ. The 56,540 square foot, two-story building houses four outpatient medical clinics, a physical therapy suite, and cafeteria, office for the Dean and space for 100 students. This new building, completed in 2021, is also the home for the Rowan Integrated Special Needs (“RISN”) Center.

Rowan Medicine Building – Cumberland was completed in the Spring of 2024. The new nearly 15,000 square foot medical facility will be dedicated to the health and psychological well-being of children and families in Cumberland County and the surrounding region. The facility will house the NeuroMusculoskeletal Institute (“NMI”), the Child Abuse Research Education and Service (“CARES”) Institute and the RISN Center Clinical Practices.

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 March 27, 2024, there are approximately 1,700 students 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.

Schools for Neurodiversity at Gloucester County Special Services School District

The School for Neurodiversity provides a wide range of educational services to the families of the County. The School for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of March 27, 2024, was 552 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, The School for Neurodiversity 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, the School for Neurodiversity 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.

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

**CERTAIN TAX INFORMATION
TEN LARGEST TAXPAYERS(1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2024</u>	
		<u>Assessed 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
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
SCP 2001A CSF 43 LLC	Retail/Restaurant		3,398,000
Midtown Woodbury LLC	Medical Offices		3,007,000

CURRENT TAX COLLECTIONS(2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2023	\$ 29,379,049	\$ 28,834,075	98.15%	\$ 469,689	1.60%
2022	28,825,289	28,271,951	98.08%	524,977	1.82%
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%

DELINQUENT TAXES(2)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2023	\$ 525,217	\$ 3,000	\$ 517,688	98.01%	\$ -	\$ 10,529	\$ -
2022	499,122	750	499,547	99.93%	-	85	240
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

(1) Source: Gloucester County website
(2) Source: City Reports of Audit

TAX TITLE LIENS(1)

<u>Year</u>	<u>Balance</u>	<u>Added by</u>			<u>Balance</u>
	<u>Jan. 1</u>	<u>Sales Adjs. & Transfers</u>	<u>Collections</u>	<u>Other Credits</u>	<u>Dec. 31</u>
2023	\$ 293,710	\$ 28,037	\$ -	\$ -	\$ 321,747
2022	267,840	64,781	38,911	-	293,710
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

FORECLOSED PROPERTY(1)(2)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Transfers/ Adjustments</u>	<u>Sales of Property</u>	<u>Balance Dec. 31</u>
2023	\$ 1,053,900	\$ -	\$ -	\$ 1,053,900
2022	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

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>
2023	\$ 148,194	\$ 5,555,507	\$ 5,534,412	97.03%	\$ 153,215	2.69%
2022	280,374	5,520,233	5,652,413	97.45%	148,194	2.55%
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%

(1) Source: City Reports of Audit

(2) 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.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net</u> <u>Valuation</u> <u>Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total</u> <u>Rate</u>	<u>Local</u>			
			<u>County</u>	<u>School</u>	<u>Municipal</u>	
2024	\$ 628,489,865	\$ 4.811	\$ 0.684	\$ 2.248	\$ 1.879	
2023	631,488,369	4.640	0.678	2.245	1.717	
2022	630,741,257	4.558	0.683	2.250	1.625	
2021 (3)	628,848,585	4.498	0.699	2.258	1.541	
2020	570,769,299	4.938	0.772	2.485	1.681	

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA(4)**

<u>Year</u>	<u>Real Property</u> <u>Assessed</u> <u>Valuation</u>	<u>Percentage</u> <u>of True</u> <u>Value</u>	<u>True</u> <u>Value</u>	<u>True Value</u> <u>per Capita (5)</u>
2024	\$ 628,489,865	73.85%	\$ 851,035,701	\$ 85,420
2023	626,993,365	83.49%	750,980,195	75,377
2022	624,068,455	94.02%	663,761,386	66,623
2021 (3)	622,743,500	95.00%	630,307,186	63,265
2020	565,697,500	95.63%	624,114,629	62,643

REAL PROPERTY CLASSIFICATION(6)

<u>Year</u>	<u>Assessed Value</u> <u>of Land and</u> <u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2024	\$ 628,817,965	\$ 7,688,500	\$ 443,521,300	\$ 145,888,565	\$ 3,396,000	\$ 28,323,600
2023	627,839,765	7,658,300	441,750,000	145,996,865	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 (3)	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

(1) Source: City Tax Collector

(2) Per \$100 of assessed valuation

(3) Revaluation

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

(5) Based on Census 2020 of 9,963

(6) Source: County Tax Assessor

**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 \$18,728,908 represents 2.487% 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	\$ 15,955,000	\$ 238,591		\$ 2,535,317	\$ 18,728,908			\$ 18,728,908
Local School District	20,320,000		\$ 2,382,000		22,702,000		\$ 22,702,000	
Water and Sewer Utility	10,005,000	2,140,073		7,628	12,152,701	\$ 12,152,701		-
	<u>\$ 46,280,000</u>	<u>\$ 2,378,664</u>	<u>\$ 2,382,000</u>	<u>\$ 2,542,944</u>	<u>\$ 53,583,609</u>	<u>\$ 12,152,701</u>	<u>\$ 22,702,000</u>	<u>\$ 18,728,908</u>

(1) As of December 31, 2023
Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2021, 2022 and 2023	\$	752,946,119
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023		2.487%
2024 Net Valuation Taxable	\$	628,489,865
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	851,035,701
Gross Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		8.53%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		6.30%
Net Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		2.98%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.20%
Gross Debt per Capita (3)	\$	5,378
Net Debt per Capita (3)	\$	1,880

CITY BORROWING CAPACITY(1)

3.5% of Average (2021-23) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$752,946,119)	\$	26,353,114
Net Debt		<u>18,728,908</u>
Remaining Borrowing Capacity	\$	<u><u>7,624,206</u></u>

SCHOOL DISTRICT BORROWING CAPACITY (1)

4% of Average (2021-23) Equalized Valuation of Real Property with Improvements Including Improvements (\$752,946,119)	\$	30,117,845
School Debt		<u>22,702,000</u>
Remaining Borrowing Capacity	\$	<u><u>7,415,845</u></u>

(1) As of December 31, 2023

(2) Excluding overlapping debt

(3) Based on Federal 2020 Census of 9,963

**CITY OF WOODBURY
OVERLAPPING DEBT
AS OF DECEMBER 31, 2023**

	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	\$ 224,530,000	\$ 17,263,364	(2) \$207,266,636	\$ 4,559,866	(4)
Bonds Issued by Other Public Bodies Guaranteed by the County	110,308,418	110,308,418	(3) -	-	
	<u>\$ 334,838,418</u>	<u>\$ 127,571,782</u>	<u>\$207,266,636</u>	<u>\$ 4,559,866</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 2023 Net Valuation on which County taxes are apportioned, which is 2.20%.

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>	
2024	\$ 1,200,000.00	\$ 585,538.33	\$ 1,785,538.33	\$ 580,000.00	\$ 376,744.54	\$ 956,744.54	\$ 2,742,282.87
2025	970,000.00	560,145.00	1,530,145.00	565,000.00	368,543.76	933,543.76	2,463,688.76
2026	1,080,000.00	520,775.00	1,600,775.00	575,000.00	345,893.76	920,893.76	2,521,668.76
2027	1,095,000.00	478,025.00	1,573,025.00	580,000.00	322,018.76	902,018.76	2,475,043.76
2028	1,110,000.00	434,375.00	1,544,375.00	585,000.00	297,993.76	882,993.76	2,427,368.76
2029	1,125,000.00	389,825.00	1,514,825.00	595,000.00	273,743.76	868,743.76	2,383,568.76
2030	1,145,000.00	344,375.00	1,489,375.00	385,000.00	249,168.76	634,168.76	2,123,543.76
2031	1,165,000.00	297,725.00	1,462,725.00	395,000.00	232,968.76	627,968.76	2,090,693.76
2032	1,150,000.00	250,400.00	1,400,400.00	405,000.00	216,468.76	621,468.76	2,021,868.76
2033	1,210,000.00	210,875.00	1,420,875.00	410,000.00	202,743.76	612,743.76	2,033,618.76
2034	1,230,000.00	169,825.00	1,399,825.00	425,000.00	188,718.76	613,718.76	2,013,543.76
2035	520,000.00	139,000.00	659,000.00	435,000.00	174,318.76	609,318.76	1,268,318.76
2036	545,000.00	118,200.00	663,200.00	445,000.00	159,618.76	604,618.76	1,267,818.76
2037	570,000.00	96,400.00	666,400.00	445,000.00	144,768.76	589,768.76	1,256,168.76
2038	600,000.00	73,600.00	673,600.00	150,000.00	134,343.76	284,343.76	957,943.76
2039	620,000.00	49,600.00	669,600.00	150,000.00	128,343.76	278,343.76	947,943.76
2040	620,000.00	24,800.00	644,800.00	160,000.00	122,343.76	282,343.76	927,143.76
2041				170,000.00	115,943.76	285,943.76	285,943.76
2042				175,000.00	109,143.76	284,143.76	284,143.76
2043				185,000.00	102,143.76	287,143.76	287,143.76
2044				195,000.00	94,512.50	289,512.50	289,512.50
2045				205,000.00	86,468.76	291,468.76	291,468.76
2046				215,000.00	77,756.26	292,756.26	292,756.26
2047				230,000.00	68,618.76	298,618.76	298,618.76
2048				240,000.00	58,843.76	298,843.76	298,843.76
2049				255,000.00	48,343.76	303,343.76	303,343.76
2050				270,000.00	37,187.50	307,187.50	307,187.50
2051				290,000.00	25,375.00	315,375.00	315,375.00
2052				290,000.00	12,687.50	302,687.50	302,687.50
	<u>\$ 15,955,000.00</u>	<u>\$ 4,743,483.33</u>	<u>\$ 20,698,483.33</u>	<u>\$ 10,005,000.00</u>	<u>\$ 4,775,769.78</u>	<u>\$ 14,780,769.78</u>	<u>\$ 35,479,253.11</u>

(1) As of December 31, 2023.

(2) Excludes a Green Acres Loan of \$238,591 and an EIT Loan of \$2,140,073

Source: City Auditor

CITY OF WOODBURY
2024 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 974,000.00
Miscellaneous Revenues:	
Local Revenues	420,050.00
State Aid without Offsetting Appropriations	1,449,277.00
Shared Service Agreements	1,267,207.85
Public and Private Programs Offset with Appropriations	781,904.17
Other Special Items of Revenue	1,567,676.52
Receipts from Delinquent Taxes	460,000.00
Amount to be Raised by Taxation for Municipal Purposes	<u>11,812,603.81</u>
Total Appropriated Revenues	<u><u>\$18,732,719.35</u></u>

Appropriations:	
Within CAPS:	
Operations	\$11,639,535.92
Deferred Charges and Statutory Expenditures	1,675,565.60
Excluded from CAPS:	
Other Operations	439,144.15
Shared Service Agreements	1,397,207.85
Public and Private Programs	815,554.17
Capital Improvements	75,000.00
Debt Service	1,841,020.73
Reserve for Uncollected Taxes	<u>849,690.93</u>
Total Appropriations	<u><u>\$18,732,719.35</u></u>

WATER/SEWER UTILITY

Anticipated Revenues:	
Fund Balance	\$ 300,000.00
Rents	5,530,000.00
Miscellaneous	40,000.00
Capital Surplus - Payment of Debt Service	<u>20,500.00</u>
Total Appropriated Revenues	<u><u>\$ 5,890,500.00</u></u>

Appropriations:	
Operating	\$ 4,299,234.23
Capital Improvements	151,250.00
Debt Service	1,301,103.37
Deferred Charges and Statutory Expenditures	<u>138,912.40</u>
Total Appropriations	<u><u>\$ 5,890,500.00</u></u>

**CITY OF WOODBURY
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2024-2029**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in Aid and Other Funds</u>	<u>Bonds and Notes 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.	3,980,000.00	195,250.00	75,000.00	3,709,750.00	
Various Street Improvements	3,142,584.00	141,875.00	305,084.00	2,695,625.00	
Storm Sewer Improvements	1,357,000.00	67,850.00		1,289,150.00	
Park Improvements	1,990,000.00	24,500.00	1,500,000.00	465,500.00	
Lake Dredging & Bank Stabilization	554,000.00	15,000.00	254,000.00	285,000.00	
Acq. of Police Equipment	25,000.00	1,250.00		23,750.00	
Fire Ladder Truck	1,000,000.00	50,000.00		950,000.00	
Fire House - New	3,000,000.00	150,000.00		2,850,000.00	
Water/Sewer Utility:					
Water Main Rehabilitation	2,300,000.00				2,300,000.00
Sewer Rehabilitation & Relining	1,401,000.00				1,401,000.00
Well & Well Site Improvements	50,000.00				50,000.00
Acq. of Various Equipment	550,000.00				550,000.00
Water Treatment Plant Upgrades	1,250,000.00				1,250,000.00
Lift Station/City Reservoir Improvements	110,000.00				110,000.00
B&G Upgrades/Meters & Software	1,300,000.00				1,300,000.00
Totals--All Projects	<u>\$22,219,584.00</u>	<u>\$ 656,225.00</u>	<u>\$ 2,134,084.00</u>	<u>\$12,468,275.00</u>	<u>\$ 6,961,000.00</u>

(1) Adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF WOODBURY

APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF WOODBURY

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, 2023, 2022, 2021, 2020 and 2019, 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, 2023, 2022, 2021, 2020 and 2019, 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, 2023, 2022, 2021, 2020 and 2019, 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
November 7, 2024

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS					
Cash	\$5,422,444	\$5,544,057	\$5,009,705	\$3,530,010	\$4,666,857
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	469,689	525,217	499,122	693,601	717,330
Tax Title Liens Receivable	321,747	293,710	267,840	296,004	265,546
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	556,090	678,949	473,244	359,892	1,046,423
Federal and State Grant Funds Receivable	565,331	578,856	590,950	588,366	540,839
Total Assets	\$8,393,401	\$8,678,889	\$7,898,961	\$6,525,973	\$8,295,094
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$170,973	\$393,275	\$540,634	\$374,157	\$422,257
Accounts Payable	34,373	733	28,089	9,213	53,973
Reserve for Encumbrances	395,387	266,690	518,944	287,470	172,898
Prepaid Taxes	292,386	303,039	296,346	304,262	318,840
Tax Overpayments	113,151	90,793	54,186	17,012	27,527
Due County for Added and Omitted Taxes	11,396	18,460	8,779	2,848	7,344
Interfunds Payable	1,408,815	1,632,496	1,277,491	522,805	2,739,177
Local School District Tax Payable	1				1
Due to State of New Jersey	23,724	23,663	25,427	25,502	25,062
Deposit for the Sale of Assets	17,357	196,346	6,619	6,619	5,854
Due to City of Woodbury Library	5,798	5,798	5,798	5,798	5,798
Reserve for Receivables and Other Assets	1,922,502	2,027,586	1,926,608	2,407,597	3,087,398
Reserve for Payment of Debt Service		106,040		62,829	5,413
Reserve for Federal and State Grants	419,660	498,621	590,975	257,089	280,190
Fund Balance	3,577,878	3,115,348	2,619,066	2,242,770	1,143,361
Total Liabilities, Reserves and Fund Balance	\$8,393,401	\$8,678,889	\$7,898,961	\$6,525,973	\$8,295,094

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Realized:					
Current Tax Collections	\$28,834,075	\$28,271,951	\$27,787,005	\$27,427,548	\$26,571,091
Delinquent Tax Collections	517,438	538,458	749,362	771,198	1,127,398
Total Taxes	29,351,513	28,810,409	28,536,367	28,198,746	27,698,490
Miscellaneous Revenues Anticipated	4,829,945	3,639,258	3,293,579	3,625,828	3,382,350
Non-Budget and Other Income	611,678	588,887	871,612	1,282,251	431,564
Fund Balance Utilized	974,000	974,000	974,000	690,000	1,080,000
Total Income	35,767,135	34,012,555	33,675,558	33,796,825	32,592,404
Expenditures and Encumbrances:					
Operating	12,724,017	11,241,690	10,583,693	10,675,338	10,767,163
Capital Improvements	55,000	55,000	75,000	75,000	75,000
Debt Service	1,524,113	1,204,408	1,255,732	1,220,784	1,184,357
Deferred Charges and Statutory Expenditures	1,566,464	1,500,442	1,750,626	1,314,623	1,303,968
County Taxes	4,287,355	4,310,928	4,396,734	4,407,243	3,985,089
Local District School Tax	14,170,656	14,169,256	14,197,056	14,181,870	14,025,744
Due State of New Jersey--Prior Year Taxes	3,000	750	1,250	2,250	4,500
Federal and State Grants Receivable Canceled		10,785	22,236		
Refund of a Prior Year Revenue			42,935	17,357	
Creation of Reserves		49,014		112,952	581,814
Total Expenditures and Encumbrances	34,330,606	32,542,273	32,325,261	32,007,416	31,927,636
Excess in Revenues	1,436,530	1,470,282	1,350,297	1,789,409	664,769
Statutory Excess to Fund Balance	1,436,530	1,470,282	1,350,297	1,789,409	664,769
Fund Balance Beginning of Year	3,115,348	2,619,066	2,242,770	1,143,361	1,558,592
	4,551,878	4,089,348	3,593,066	2,932,770	2,223,361
Decreased by:					
Utilized as Revenue	974,000	974,000	974,000	690,000	1,080,000
Fund Balance Ending of Year	\$3,577,878	\$3,115,348	\$2,619,066	\$2,242,770	\$1,143,361

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS					
Cash	\$1,426,920	\$1,945,494	\$1,611,659	\$1,427,674	\$1,911,450
Interfunds Receivable	80,525	80,525	80,525	80,525	80,525
Investments - Length of Service Awards Program	231,566	205,864	309,059	276,170	266,324
Due from Bank		6,325	6,325	6,325	7,272
Community Development Block Grant Receivable		227,300	227,300	227,300	227,300
Total Assets	\$1,739,011	\$2,465,509	\$2,234,868	\$2,017,994	\$2,492,872
LIABILITIES AND RESERVES					
Interfund Loans Payable	\$299	\$7,503	\$4,633	\$4,895	\$1,769
Other Liabilities and Reserve for Special Funds	1,738,712	2,458,006	2,230,235	2,013,099	2,491,103
Total Liabilities and Reserves	\$1,739,011	\$2,465,509	\$2,234,868	\$2,017,994	\$2,492,872

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS					
Cash	\$168,398	\$348	\$128,904	\$838,930	\$685,954
Deferred Charges to Future Taxation:					
Funded	16,180,605	9,272,396	10,158,420	11,013,691	11,898,224
Unfunded	2,535,317	9,169,817	8,319,567	8,319,567	7,074,567
Interfunds Receivable	253,184	13,086	101,687	135,000	2,504,065
Other Accounts Receivable	2,712,010	2,006,671	1,173,228	1,173,228	856,553
Total Assets	<u>\$21,849,513</u>	<u>\$20,462,317</u>	<u>\$19,881,805</u>	<u>\$21,480,415</u>	<u>\$23,019,362</u>
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	\$15,955,000	\$8,995,000	\$9,830,000	\$10,635,000	\$11,470,000
Bond Anticipation Notes		7,584,250	6,235,000	5,597,500	2,650,000
Reserve for Payment of Debt Service	3,097	3,090	3,090	3,090	
State of New Jersey Green Acres Loan	238,591	290,383	341,407	391,678	441,211
Improvement Authorizations:					
Funded	3,063,846	29,153	316,278	371,058	465,127
Unfunded	706,931	2,529,246	2,257,829	2,907,504	3,488,755
Reserve for Encumbrances	488,371	391,695	261,350	1,512,734	547,418
Reserve for Spot Blight	30,000	30,000	30,000	30,000	30,000
Interfunds Payable	1,302,496	522,398	500,000		3,915,000
Capital Improvement Fund	55,130	84,630	104,380	29,380	9,380
Fund Balance	6,051	2,472	2,472	2,472	2,472
Total Liabilities, Reserves and Fund Balance	<u>\$21,849,513</u>	<u>\$20,462,317</u>	<u>\$19,881,805</u>	<u>\$21,480,415</u>	<u>\$23,019,362</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS					
Operating Fund:					
Cash	\$432,449	\$406,805	\$264,913	\$592,758	\$16,843
Interfunds Receivable	674,032	504,107	504,107	270,385	1,902,208
Receivables with Full Reserves:					
Consumer Accounts Receivable	162,898	148,194	280,374	209,933	52,541
Liens Receivable	54,515	48,124	41,814	45,962	43,710
Deferred Charges		70,436			144,934
Total Operating Fund	1,323,895	1,177,666	1,091,207	1,119,039	2,160,236
Capital Fund:					
Cash	62,713	158,007	152,447	2,211,348	364,623
Interfunds Receivable	1,902,496	1,115,442	1,166,340		3,915,000
Fixed Capital	26,379,960	26,330,289	26,264,114	26,219,287	26,195,368
Fixed Capital Authorized and Uncompleted	15,951,331	14,756,331	13,877,581	13,877,581	13,127,081
Due from Bank	38				
Total Capital Fund	44,296,539	42,360,069	41,460,481	42,308,215	43,602,072
Total Assets	\$45,620,434	\$43,537,735	\$42,551,688	\$43,427,254	\$45,762,308

(Continued)

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

	As of December 31,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$3,313	\$6,151	\$80,547	\$142,917	\$26,633
Accounts Payable				15,526	3,063
Accrued Interest on Bonds and Notes	64,740	56,104	53,859	64,089	73,941
Overpayments	76,748	79,856	56,109	57,543	56,262
Prepaid Rents			10,710	6,262	5,889
Interfunds Payable	80,525	109,053	446,866	80,525	880,008
Reserve for Encumbrances	41,790	19,577	35,858	259,212	79,184
Reserve for Receivables and Other Assets	217,414	196,318	322,188	255,895	96,251
Fund Balance	839,366	710,606	85,070	237,070	939,005
Total Operating Fund	<u>1,323,895</u>	<u>1,177,666</u>	<u>1,091,207</u>	<u>1,119,039</u>	<u>2,160,236</u>
Capital Fund:					
Serial Bonds	10,005,000	5,175,000	5,925,000	6,640,000	7,555,000
Bond Anticipation Notes		3,280,500	3,280,500	3,280,500	1,420,000
NJEIT Loan Payable	2,140,073	2,425,176	2,710,280	2,989,383	3,269,487
Interfunds Payable	601,526			123,033	1,902,208
Reserve for Encumbrances	764,368	42,791	79,298	312,360	519,736
Improvement Authorizations:					
Funded	602,746	452,592	238,568	61,483	1,733,937
Unfunded	250	1,360,599	658,454	1,372,004	706,775
Reserve for Amortization	29,987,504	29,128,729	28,027,451	26,988,520	25,769,499
Deferred Reserve for Amortization	191,575	191,575	191,575	191,575	191,575
Capital Improvement Fund		213,355	259,605	259,605	444,105
Fund Balance	3,496	89,751	89,751	89,751	89,751
Total Capital Fund	<u>44,296,539</u>	<u>42,360,069</u>	<u>41,460,481</u>	<u>42,308,215</u>	<u>43,602,072</u>
Total Liabilities, Reserves and Fund Balance	<u>\$45,620,434</u>	<u>\$43,537,735</u>	<u>\$42,551,688</u>	<u>\$43,427,254</u>	<u>\$45,762,308</u>

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue Realized:					
Fund Balance Utilized	\$150,000	\$85,000	\$152,000	\$744,934	\$827,228
Rents	5,534,412	5,646,103	4,813,188	4,729,827	5,067,464
Miscellaneous Revenue Anticipated	47,592	40,142	31,471	29,063	35,405
Miscellaneous Revenue Not Anticipated	81,882	57,655	24,366	8,948	59,663
Other Credits to Income	3,509	28,313	76,481	8,768	42,975
Total Income	5,817,395	5,857,212	5,097,507	5,521,540	6,032,736
Expenditures:					
Operating	4,179,689	3,747,675	3,856,110	3,858,610	4,344,104
Capital Improvements	49,671	50,000	50,000	50,000	50,000
Debt Service	1,100,739	1,288,779	1,297,417	1,270,964	1,270,743
Deferred Charges & Statutory Expenditures	208,536	130,658	143,500	298,967	319,059
Total Expenditures	5,538,636	5,217,112	5,347,027	5,478,541	5,983,906
Excess (Deficit) in Revenues	278,760	640,100	(249,521)	42,999	48,829
Adjustment to Income before Surplus:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Year		70,436			144,934
Realized from General Budget for Anticipated Deficit			249,521		
Statutory Excess to Fund Balance	278,760	710,536	0	42,999	193,764
Fund Balance January 1	710,606	85,070	237,070	939,005	1,572,470
	989,366	795,606	237,070	982,004	1,766,233
Decreased by:					
Utilized by Water-Sewer Operating Budget	150,000	85,000	152,000	744,934	827,228
Fund Balance December 31	\$839,366	\$710,606	\$85,070	\$237,070	\$939,005

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, 2023

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* (2 CFR Part 225), 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.

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

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

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

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, 2023, the City's bank balances of \$7,220,050.85 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,889,833.23
Uninsured and Uncollateralized	<u>330,217.62</u>
Total	<u>\$ 7,220,050.85</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, 2023, the City's deposits with the New Jersey Cash Management Fund were \$737,900.00.

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 4.640</u>	<u>\$ 4.558</u>	<u>\$ 4.498</u>	<u>\$ 4.938</u>	<u>\$ 4.772</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.678	\$ 1.590	\$ 1.509	\$ 1.644	\$ 1.594
Municipal Library	.039	.035	.032	.037	.033
County	.638	.644	.658	.728	.655
County Open Space Preservation Trust Fund	.040	.039	.041	.044	.041
Local School	2.245	2.250	2.258	2.485	2.449

Note 3: PROPERTY TAXES (CONT'D)

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 (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 627,178,700.00
2022	629,711,957.00
2021	628,848,585.00
2020	570,769,299.00
2019	572,821,475.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 29,379,048.78	\$ 28,834,074.86	98.15%
2022	28,825,288.64	28,271,951.23	98.08%
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%

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>
2023	\$ 321,747.37	\$ 469,689.43	\$ 791,436.80	2.69%
2022	293,710.15	525,216.72	766,961.94	2.66%
2021	267,839.52	499,122.42	989,605.11	3.49%
2020	296,004.11	693,601.00	982,875.42	3.48%
2019	265,545.92	717,329.50	1,275,537.02	4.66%

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>
2023	\$ 1,053,900.00
2022	1,053,900.00
2021	1,053,900.00
2020	1,053,900.00
2019	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>			
2023	\$ 148,193.61	\$ 48,124.49	\$ 5,555,507.18	\$ 5,751,825.28	\$ 5,534,411.72
2022	280,373.71	41,814.35	5,520,232.90	5,842,420.96	5,644,529.82
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

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>
2023	\$ 3,577,877.72	\$ 974,000.00	27.22%
2022	3,115,348.06	974,000.00	31.26%
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%

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>
2023	\$ 839,365.54	\$ 300,000.00	35.74%
2022	710,605.89	150,000.00	21.11%
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%

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, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 72,964.92	\$ 808,814.82
Federal and State Grant	483,124.82	600,000.00
Trust - Animal Control		298.62
Trust - Other	80,525.25	72,666.30
General Capital	253,184.08	1,302,496.33
Water - Sewer Utility - Operating	674,032.12	80,525.25
Water - Sewer Utility - Capital	1,902,496.33	601,526.20
	<u>\$ 3,466,327.52</u>	<u>\$ 3,466,327.52</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 2024, 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. As a local participation employer of these pension plans, the City is referred to as "Employer" throughout this note. 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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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.

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

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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. 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 state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

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.

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

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.

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

Contributions

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd) -**

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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 14.42% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$402,062.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$405,126.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$215,650.86.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was .03% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$13,589.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$10,201.00.

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.

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.

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

The Employer's contractually required contribution rate for the year ended December 31, 2023 was 32.64% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$1,033,216.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$1,008,609.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$323,697.60.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 5.71% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$180,708.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$196,681.00, which was paid on April 1, 2023.

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

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

For the year ended December 31, 2023, employee contributions totaled \$4,854.64, and the Employer's contributions were \$2,670.05. There were no forfeitures during the year.

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, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$4,357,275.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0300825888%, which was a decrease of .0020435470% from its proportion measured as of June 30, 2022.

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)****Public Employees' Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was (\$204,433.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was \$405,126.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, was \$13,589.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 8,575,548.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>1,580,145.00</u>
	<u>\$ 10,155,693.00</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)****Police and Firemen's Retirement System (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0776153200%, which was an increase of .0000630200% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .0776154700%, which was an increase of .0000632300% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$372,853.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$1,033,216.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was \$179,738.00. This on-behalf (benefit) expense is not recognized by the Employer 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, 2023, the Employer 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		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 41,661.00	\$ 367,188.00	\$ 408,849.00	\$ 17,811.00	\$ 408,978.00	\$ 426,789.00
Changes of Assumptions	9,572.00	18,509.00	28,081.00	264,070.00	579,055.00	843,125.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,066.00	436,736.00	456,802.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	243,104.00	85,638.00	328,742.00	514,117.00	193,409.00	707,526.00
Contributions Subsequent to the Measurement Date	201,031.00	516,608.00	717,639.00	-	-	-
	<u>\$ 515,434.00</u>	<u>\$ 1,424,679.00</u>	<u>\$ 1,940,113.00</u>	<u>\$ 795,998.00</u>	<u>\$ 1,181,442.00</u>	<u>\$ 1,977,440.00</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 \$201,031.00 and \$516,608.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

The Employer 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, 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
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
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	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

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:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (207,994.00)	\$ (343,828.00)	\$ (551,822.00)
2025	(217,796.00)	(395,342.00)	(613,138.00)
2026	50,691.00	492,060.00	542,751.00
2027	(101,681.00)	(45,564.00)	(147,245.00)
2028	(4,815.00)	17,491.00	12,676.00
Thereafter	-	1,812.00	1,812.00
	<u>\$ (481,595.00)</u>	<u>\$ (273,371.00)</u>	<u>\$ (754,966.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. 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:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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, 2023) 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, 2023 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	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity 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 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 Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer'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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	<u>\$ 5,672,245.00</u>	<u>\$ 4,357,275.00</u>	<u>\$ 3,238,061.00</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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer 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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 11,948,525.00	\$ 8,575,548.00	\$ 5,766,665.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>2,201,655.00</u>	<u>1,580,144.00</u>	<u>1,062,575.00</u>
	<u>\$ 14,150,180.00</u>	<u>\$ 10,155,692.00</u>	<u>\$ 6,829,240.00</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.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0300825888%	0.0321261358%	0.0337957917%	0.0335581285%	0.0291801597%
Proportionate Share of the Net Pension Liability	\$ 4,357,275.00	\$ 4,848,276.00	\$ 4,003,618.00	\$ 5,472,453.00	\$ 5,257,822.00
Covered Payroll (Plan Measurement Period)	\$ 2,216,780.00	\$ 2,343,968.00	\$ 2,476,688.00	\$ 2,401,064.00	\$ 2,087,852.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	196.56%	206.84%	161.65%	227.92%	251.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0345480018%	0.0344768290%	0.0342851077%	0.0384752545%	0.0405159927%
Proportionate Share of the Net Pension Liability	\$ 6,802,329.00	\$ 8,025,655.00	\$ 10,154,266.00	\$ 8,636,924.00	\$ 7,585,702.00
Covered Payroll (Plan Measurement Period)	\$ 2,364,060.00	\$ 2,357,556.00	\$ 2,360,252.00	\$ 2,659,060.00	\$ 2,739,728.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	287.74%	340.42%	430.22%	324.81%	276.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

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

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 402,062.00	\$ 405,126.00	\$ 395,788.00	\$ 367,109.00	\$ 283,837.00
Contribution in Relation to the Contractually Required Contribution	<u>(402,062.00)</u>	<u>(405,126.00)</u>	<u>(395,788.00)</u>	<u>(367,109.00)</u>	<u>(283,837.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,788,557.00	\$ 2,356,471.00	\$ 2,372,505.00	\$ 2,418,913.00	\$ 2,378,363.00
Contributions as a Percentage of Covered Payroll	14.42%	17.19%	16.68%	15.18%	11.93%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 343,641.00	\$ 319,391.00	\$ 304,584.00	\$ 330,784.00	\$ 334,008.00
Contribution in Relation to the Contractually Required Contribution	<u>(343,641.00)</u>	<u>(319,391.00)</u>	<u>(304,584.00)</u>	<u>(330,784.00)</u>	<u>(334,008.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,109,824.00	\$ 2,273,975.00	\$ 2,355,219.00	\$ 2,373,870.00	\$ 2,613,991.00
Contributions as a Percentage of Covered Payroll	16.29%	14.05%	12.93%	13.93%	12.78%

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 Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0776153200%	0.0775523000%	0.0774577127%	0.0785112677%	0.0806469117%
Proportionate Share of the Net Pension Liability	\$ 8,575,548.00	\$ 8,876,912.00	\$ 5,661,502.00	\$ 10,144,691.00	\$ 9,869,423.00
State's Proportionate Share of the Net Pension Liability	<u>1,580,145.00</u>	<u>1,579,830.00</u>	<u>1,592,296.00</u>	<u>1,574,410.00</u>	<u>1,558,401.00</u>
Total	<u>\$ 10,155,693.00</u>	<u>\$ 10,456,742.00</u>	<u>\$ 7,253,798.00</u>	<u>\$ 11,719,101.00</u>	<u>\$ 11,427,824.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,827,608.00	\$ 2,763,616.00	\$ 2,715,288.00	\$ 2,694,588.00	\$ 2,733,372.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	303.28%	321.21%	208.50%	376.48%	361.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0777718073%	0.0823660787%	0.0831570274%	0.0831013469%	0.0861774062%
Proportionate Share of the Net Pension Liability	\$ 10,523,808.00	\$ 12,715,730.00	\$ 15,885,119.00	\$ 13,841,788.00	\$ 10,840,318.00
State's Proportionate Share of the Net Pension Liability	<u>1,429,485.00</u>	<u>1,424,269.00</u>	<u>1,333,956.00</u>	<u>1,213,878.00</u>	<u>1,167,320.00</u>
Total	<u>\$ 11,953,293.00</u>	<u>\$ 14,139,999.00</u>	<u>\$ 17,219,075.00</u>	<u>\$ 15,055,666.00</u>	<u>\$ 12,007,638.00</u>
Covered Payroll (Plan Measurement Period)	\$ 2,585,472.00	\$ 2,666,164.00	\$ 2,564,700.00	\$ 2,599,744.00	\$ 2,721,904.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.04%	476.93%	619.38%	532.43%	398.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

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

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,033,216.00	\$ 1,008,609.00	\$ 902,742.00	\$ 877,105.00	\$ 814,623.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,033,216.00)</u>	<u>(1,008,609.00)</u>	<u>(902,742.00)</u>	<u>(877,105.00)</u>	<u>(814,623.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,165,208.00	\$ 2,759,833.00	\$ 2,739,401.00	\$ 2,745,998.00	\$ 2,676,768.00
Contributions as a Percentage of Covered Payroll	32.64%	36.55%	32.95%	31.94%	30.43%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 760,334.00	\$ 728,955.00	\$ 678,013.00	\$ 675,490.00	\$ 661,902.00
Contribution in Relation to the Contractually Required Contribution	<u>(760,334.00)</u>	<u>(728,955.00)</u>	<u>(678,013.00)</u>	<u>(675,490.00)</u>	<u>(661,902.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,693,272.00	\$ 2,619,948.00	\$ 2,657,229.00	\$ 2,532,514.00	\$ 2,600,055.00
Contributions as a Percentage of Covered Payroll	28.23%	27.82%	25.52%	26.67%	25.46%

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 Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

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

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN****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>. As a local participating employer of the Plan, the City is referred to as "Employer" throughout this note.

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)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (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 Employer was billed monthly by the Plan and paid \$1,168,492.26, for the year ended December 31, 2023, representing 19.63% of the Employer's covered payroll. During the year ended December 31, 2023, retirees were required to contribute \$26,405.16 to the Plan.

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

OPEB Liability - At December 31, 2023, the Employer's proportionate share of the net OPEB liability was \$23,688,573.00.

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer'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, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the Employer's proportion was .0157855%, which was an increase of .029861% from its proportion measured as of the June 30, 2022 measurement date.

OPEB (Benefit) Expense - At December 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date, is \$351,433.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer made contributions to the Plan totaling \$1,168,492.26.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2023, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,092,395.00	\$ 6,433,042.00
Changes of Assumptions	3,068,559.00	6,696,001.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	3,909.00
Changes in Proportion	9,763,838.00	1,603,177.00
Contributions Subsequent to the Measurement Date	575,952.82	-
	<u>\$ 14,500,744.82</u>	<u>\$ 14,736,129.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (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 \$575,952.82 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2024. The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
June 30, 2023	-	7.89	June 30, 2023	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89

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,	
2024	\$ (1,575,605.00)
2025	(847,870.00)
2026	161,702.00
2027	1,041,273.00
2028	111,960.00
Thereafter	<u>297,203.00</u>
	<u>\$ (811,337.00)</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (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, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

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

PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

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

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) are 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, 2023 was 3.65%. 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)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (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	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	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 3.65%, 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>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Proportionate Share of the Net OPEB Liability	\$ 27,438,918.00	\$ 23,688,573.00	\$ 20,671,999.00

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
Proportionate Share of the Net OPEB Liability	\$ 20,132,500.00	\$ 23,688,573.00	\$ 28,241,434.00

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)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (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 Proportionate Share of the Net OPEB Liability (Last Seven Plan Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.157855%	0.127994%	0.000000%	0.109405%
Proportionate Share of the Net OPEB Liability	\$ 23,688,573.00	\$ 20,670,513.00	\$ -	\$ 19,634,492.00
Covered Payroll (Plan Measurement Period)	\$ 5,784,107.00	\$ 5,054,159.00	\$ 5,122,458.00	\$ 5,143,707.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	409.55%	408.98%	0.00%	381.72%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Proportion of the Net OPEB Liability	0.098362%	0.109112%	0.108658%	
Proportionate Share of the Net OPEB Liability	\$ 13,324,186.00	\$ 17,094,160.00	\$ 22,183,388.00	
Covered Payroll (Plan Measurement Period)	\$ 4,916,167.00	\$ 4,814,954.00	\$ 5,006,782.00	
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	271.03%	355.02%	443.07%	
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE OF NEW JERSEY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Seven Years)***

	<u>Year Ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 1,168,492.26	\$ 1,060,932.10	\$ 880,540.62	\$ 781,485.02
Actual Contributions in Relation to the Required Contribution	<u>(1,168,492.26)</u>	<u>(1,060,932.10)</u>	<u>(880,540.62)</u>	<u>(781,485.02)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 5,953,765.00	\$ 5,116,304.00	\$ 5,111,906.00	\$ 5,164,911.00
Contributions as a Percentage of Covered Payroll	19.63%	20.74%	17.23%	15.13%

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 750,308.59	\$ 1,242,274.56	\$ 1,224,308.78
Actual Contributions in Relation to the Required Contribution	<u>(750,308.59)</u>	<u>(1,242,274.56)</u>	<u>(1,224,308.78)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 5,055,131.00	\$ 4,803,096.00	\$ 4,893,923.00
Contributions as a Percentage of Covered Payroll	14.84%	25.86%	25.02%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, 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>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

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

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, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	19
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	30
	49
	49

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 \$1,053,409.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2023.

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	4.00%
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, 2023 valuation since the Plan had insufficient data to produce a study with credible results.

Changes in Total OPEB Liability

Balance at December 31, 2022		\$ 942,255.00
Changes for the Year:		
Service Cost	\$ 30,946.00	
Interest Cost	39,872.00	
Benefit Payments	(34,293.00)	
Difference between Expected and Actual Experience	-	
Changes in Assumptions	<u>74,629.00</u>	
Net Changes		<u>111,154.00</u>
Balance at December 31, 2023		<u>\$ 1,053,409.00</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 4.31% at December 31, 2022 to 4.00% at December 31, 2023.

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:

	December 31, 2023		
	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Total OPEB Liability	\$ 1,274,666.00	\$ 1,053,409.00	\$ 882,461.00

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:

	December 31, 2023		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	\$ 856,496.00	\$ 1,053,409.00	\$ 1,326,900.00

For the year ended December 31, 2023, the City recognized OPEB (benefit) expense of \$177,910.00. As of December 31, 2023, 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	\$ 426,459.00	\$ 478,638.00
Changes in Method	14,341.00	
Difference Between Expected and Actual Experience	191,159.00	102,546.00
	<u>\$ 631,959.00</u>	<u>\$ 581,184.00</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 Dec 31,		
2024	\$	14,909.62
2025		14,909.62
2026		14,909.62
2027		14,909.62
Thereafter		<u>(8,863.50)</u>
	<u>\$</u>	<u>50,775.00</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 Six Years):

	Plan Measurement Date December 31,					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 30,946.00	\$ 53,444.00	\$ 63,121.00	\$ 48,634.00	\$ 33,088.00	\$ 33,088.00
Interest Cost	39,872.00	25,221.00	22,718.00	27,639.00	31,994.00	25,015.00
Benefit Payments	(34,293.00)	(34,293.00)	(34,293.00)	(34,146.00)	(34,146.00)	(34,146.00)
Difference Between Expected and Actual Experience	-	(456,835.00)	(120,085.00)	174,137.00	216,349.00	(80,395.00)
Changes in Assumptions	<u>74,629.00</u>	<u>216,649.00</u>	<u>-</u>	<u>(136,730.00)</u>	<u>(16,231.00)</u>	<u>248,153.00</u>
Net Change in Total OPEB Liability	111,154.00	(195,814.00)	(68,539.00)	79,534.00	231,054.00	191,715.00
Total OPEB Liability, January 1,	<u>942,255.00</u>	<u>1,138,069.00</u>	<u>1,206,608.00</u>	<u>1,127,074.00</u>	<u>896,020.00</u>	<u>704,305.00</u>
Total OPEB Liability, December 31,	<u>\$ 1,053,409.00</u>	<u>\$ 942,255.00</u>	<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	\$ 5,953,765.00	\$ 5,116,304.00	\$ 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	17.69%	18.42%	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>
2023	4.00%
2022	4.31%
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, 2023, accrued benefits for compensated absences are valued at \$233,906.37.

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%.

	<u>Interest Rate</u>	<u>Original Amounts</u>	<u>Last Maturity Date</u>	<u>Balance Dec. 31, 2023</u>
Green Acres Assistance Loans	2.00%	\$ 1,166,000.00	2030	<u>\$ 238,591.04</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.

	<u>Interest Rate</u>	<u>Last Maturity Date</u>	<u>Amount Issued</u>	<u>Balance Dec. 31, 2023</u>
2013 Trust Loan	3% to 5%	2032	\$ 1,265,000.00	\$ 710,000.00
2013 Fund Loan	None	2032	1,339,883.00	599,893.13
2010 Trust Loan	4% to 5%	2029	725,000.00	281,000.00
2010 Fund Loan	None	2028	<u>2,217,010.00</u>	<u>549,179.96</u>
			<u>\$ 5,546,893.00</u>	<u>\$ 2,140,073.09</u>

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

<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>	
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	38,705.54	542.84	305,103.37	26,740.00	371,091.75
2028	20,516.49	76.93	295,636.73	22,570.00	338,800.15
2029-2030	<u>19,230.80</u>	<u></u>	<u>645,022.88</u>	<u>45,385.00</u>	<u>709,638.68</u>
	<u>\$ 238,591.04</u>	<u>\$ 6,928.64</u>	<u>\$ 2,140,073.09</u>	<u>\$ 200,165.00</u>	<u>\$ 2,585,757.77</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 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.

General Obligation Refunding Bonds, Series 2023 - On November 22, 2023, the City issued \$13,080,000.00 of general obligation bonds consisting of \$7,825,000.00 general improvement bonds and \$5,255,000.00 water and sewer utility bonds, with interest rates ranging from 4.00% to 6.00%. The final maturity of these bonds is November 1, 2052. 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>	
2024	\$ 1,200,000.00	\$ 585,538.33	\$ 580,000.00	\$ 376,744.54	\$ 2,742,282.87
2025	970,000.00	560,145.00	565,000.00	368,543.76	2,463,688.76
2026	1,080,000.00	520,775.00	575,000.00	345,893.76	2,521,668.76
2027	1,095,000.00	478,025.00	580,000.00	322,018.76	2,475,043.76
2028	1,110,000.00	434,375.00	585,000.00	297,993.76	2,427,368.76
2029-2033	5,795,000.00	1,493,200.00	2,190,000.00	1,175,093.80	10,653,293.80
2034-2038	3,465,000.00	597,025.00	1,900,000.00	801,768.80	6,763,793.80
2039-2043	1,240,000.00	74,400.00	840,000.00	577,918.80	2,732,318.80
2044-2048			1,085,000.00	386,200.04	1,471,200.04
2049-2052			1,105,000.00	123,593.76	1,228,593.76
	<u>\$ 15,955,000.00</u>	<u>\$ 4,743,483.33</u>	<u>\$ 10,005,000.00</u>	<u>\$ 4,775,769.78</u>	<u>\$ 35,479,253.11</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>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 16,193,591.04	\$ 16,869,632.73	\$ 16,406,406.56
Water - Sewer Utility:			
Bonds, Loans and Notes	12,145,073.09	10,880,676.46	11,915,779.83
Total Issued	<u>28,338,664.13</u>	<u>27,750,309.19</u>	<u>28,322,186.39</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	2,535,316.72	1,585,566.72	2,084,566.72
Water - Sewer Utility:			
Bonds, Loans and Notes	7,627.72	886,127.72	7,377.72
Total Authorized but not Issued	<u>2,542,944.44</u>	<u>2,471,694.44</u>	<u>2,091,944.44</u>
Total Issued and Authorized but not Issued	<u>30,881,608.57</u>	<u>30,222,003.63</u>	<u>30,414,130.83</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	12,152,211.91	11,766,315.28	11,393,530.35
Total Deductions	<u>12,165,687.31</u>	<u>11,779,790.68</u>	<u>11,407,005.75</u>
Net Debt	<u>\$ 18,715,921.26</u>	<u>\$ 18,442,212.95</u>	<u>\$ 19,007,125.08</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 2.486%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 22,702,000.00	\$ 22,702,000.00	
Water - Sewer Utility	12,152,700.81	12,152,700.81	
General	18,728,907.76	12,986.50	\$ 18,715,921.26
	<u>\$ 53,583,608.57</u>	<u>\$ 34,867,687.31</u>	<u>\$ 18,715,921.26</u>

Net debt \$18,715,921.26 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$752,946,118.67, equals 2.486%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 26,353,114.15
Less: Net Debt	<u>18,715,921.26</u>
Remaining Borrowing Power	<u>\$ 7,637,192.89</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	\$ 5,813,885.67
Deductions:	
Operating and Maintenance Costs	\$ 4,388,225.24
Debt Service	<u>1,100,738.87</u>
Total Deductions	<u>5,488,964.11</u>
Excess in Revenue	<u>\$ 324,921.56</u>

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

Note 13: FINANCED PURCHASE OBLIGATIONS

The City has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB Statement No. 87, *Leases*.

Vehicles - As of December 31, 2023, the City is financing thirteen (13) vehicles with a total cost of \$565,273.80. The monthly payments are \$9,421.23. The agreement is for a term of five (5) years with an interest rate of 6.63%. The final maturity of the financed purchase is September 30, 2028.

The following is an analysis of the financed purchase obligation liability at December 31, 2023:

<u>Description</u>	
Vehicles	\$ 537,010.11

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 113,054.76	\$ 22,326.84	\$ 135,381.60
2025	113,054.76	22,326.84	135,381.60
2026	113,054.76	22,326.84	135,381.60
2027	113,054.76	22,326.84	135,381.60
2028	84,791.07	16,745.13	101,536.20
Total	\$ 537,010.11	\$ 106,052.49	\$ 643,062.60

Under the provisions of GASB 87, for the year ended December 31, 2023, the City would have reported assets in the amount of \$565,273.80 and a financed purchase obligation in the amount of \$537,010.11. In addition, for the year ended December 31, 2023, the City would have recognized a reduction of the financed purchase obligation of \$28,263.69 and interest expense of \$5,581.71.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$33,845.40 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

Note 14: 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 the activity 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>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 10,000.00	\$ 2,562.43	\$ 33,924.95	\$ 76,077.30
2022	10,000.00		14,467.64	97,439.82
2021	30,000.00		8,760.63	101,907.46

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, 2023, which can be obtained from:

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

Note 15: CONTINGENCIES

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

Note 16: CONCENTRATIONS

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

Note 17: 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.

Note 17: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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, 2023, 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.

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, 2023, 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 18: 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, 2023, the City abated property taxes totaling \$1,382,348.80 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 \$530,096.80.
- Forty-three percent (43%) of the total property tax abatement to an affordable housing project. The abatement amounted to \$597,228.32.
- Eleven percent (11%) of the total property tax abatement to an affordable housing project. The abatement amounted to \$155,045.60.

Note 19: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2023, 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 Capital Equipment and Various Improvements	9/25/2024	\$ 1,713,750.00
Various Capital Equipment and Various Improvements	2/28/2024	2,452,900.00
Utility Improvements		
Various Capital Equipment and Various Improvements	2/28/2024	1,923,750.00

APPENDIX C

FORM OF BOND COUNSEL OPINION



December 12, 2024

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

RE: \$5,500,262 CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY, BOND ANTICIPATION NOTES OF 2024, SERIES A

Mayor and City 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 ("Notes"). The Notes consist of: (i) \$3,576,512 principal amount of General Capital Improvement Notes; and (ii) \$1,923,750 principal amount of Water and Sewer Utility Notes.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2403-24, 2404-24, and 2415-24, each duly and finally adopted by the City Council (collectively, the "Bond Ordinances") and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on December 3, 2024 ("Award Certificate").

The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances. The Notes are dated December 12, 2024 and mature on December 11, 2025. The Notes are issued in registered book-entry only form and are not subject to redemption prior to their stated maturity date.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended, ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the 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 Notes.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, certifications, instruments 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:

COUNSEL WHEN IT MATTERS.SM



1. The Notes 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 of and interest on the Notes, 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes 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 Notes.

Ownership of the Notes 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 Notes 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 Notes 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 Notes.

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 designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the Notes 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 Notes 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 Notes.

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

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 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 INFORMATION REPORTING UNDERTAKING AGREEMENT

INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: City of Woodbury, County of Gloucester, New Jersey ("Issuer")

ISSUE: \$5,500,262 Bond Anticipation Notes of 2024, Series A
(Non-Callable) ("Notes")

DATED: December 12, 2024

CUSIP: 979149JG7

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")¹, 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 (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

¹ 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 Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. 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 Issuer, 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;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation² 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
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

Section 2. The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

² 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.

Section 3. The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

Section 4. This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 12th day of December, 2024.

ISSUER:

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

By: _____

**ROBERT LAW,
Chief Financial Officer**