

NEW ISSUE

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

\$19,429,000*
BOROUGH OF GLASSBORO
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2025
Consisting of:
\$9,322,000* General Improvement Bonds
\$10,107,000* Water/Sewer Utility Bonds
(Book-Entry-Only) (Callable)

Dated: Date of Delivery**Due: April 1, as shown on the inside front cover**

The Borough of Glassboro, County of Gloucester, New Jersey ("Borough"), is issuing \$19,429,000* aggregate principal amount of its General Obligation Bonds, Series 2025 ("Bonds"). The Bonds consist of: (i) \$9,322,000* General Improvement Bonds; and (ii) \$10,107,000* Water/Sewer Utility Bonds.

The Bonds shall be issued in fully registered book-entry-only form without coupons. Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Bond.

The principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds at the offices of TD Bank, National Association, Mount Laurel, New Jersey, as hereafter designated paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on April 1 and October 1, commencing April 1, 2026, in each year until maturity or earlier redemption. The Bonds are subject to optional redemption prior to their stated maturity dates on the terms and conditions contained herein.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2020-05, 2020-06, 2020-07, 2021-04, 2021-05, 2021-06, 2022-13, 2023-08, 2023-09, 2024-10, and 2024-11 each duly and finally adopted by Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on April 8, 2025; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on May __, 2025.

The Bonds are being issued by the Borough to provide funds that will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of bond anticipation notes of the Borough, dated August 15, 2024, and maturing on May 30, 2025; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

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

The Bonds are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Counsel, Timothy D. Scaffidi, Esquire, of the Law Office of Timothy D. Scaffidi, Woodbury, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Bonds. The Bonds are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about May 29, 2025.

ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY UNTIL 11:00 A.M. ON MAY 6, 2025. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY VIEW THE RESPECTIVE NOTICES OF SALE POSTED AT WWW.GOVDEBT.NET

* Preliminary, subject to change.

\$19,429,000*
BOROUGH OF GLASSBORO,
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2025
Consisting of:
\$9,322,000* General Improvement Bonds
\$10,107,000* Water & Sewer Utility Bonds

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

<u>Year</u> <u>(April 1)</u>	<u>General</u> <u>Improvement*</u>	<u>Water/Sewer</u> <u>Utility*</u>	<u>Combined*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2026	\$477,000	\$277,000	\$754,000	%	%	
2027	550,000	315,000	865,000			
2028	550,000	340,000	890,000			
2029	675,000	375,000	1,050,000			
2030	675,000	550,000	1,225,000			
2031	695,000	550,000	1,245,000			
2032	950,000	550,000	1,500,000			
2033	950,000	550,000	1,500,000			
2034	950,000	550,000	1,500,000			
2035	950,000	550,000	1,500,000			
2036	950,000	550,000	1,500,000			
2037	950,000	550,000	1,500,000			
2038	0	550,000	550,000			
2039	0	550,000	550,000			
2040	0	550,000	550,000			
2041	0	550,000	550,000			
2042	0	550,000	550,000			
2043	0	550,000	550,000			
2044	0	550,000	550,000			
2045	0	550,000	550,000			

* Preliminary, subject to change.

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

**BOROUGH OF GLASSBORO
COUNTY OF GLOUCESTER, NEW JERSEY**

Mayor and Borough Council

John E. Wallace III, Mayor
Anna Miller, Council President
George Cossabone, Sr., Councilman
Timothy D. Brown, Councilman
Deanna L. Garlic, Councilwoman
Andrew Halter, Councilman
Daniele Spence, Councilwoman

Borough Administrator

Edward Malandro

Borough Clerk

Karen Cosgrove

Chief Financial Officer

Karyn Paccione

Solicitor

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

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

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

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OFFICIAL STATEMENT
Relating to the
\$19,429,000*
BOROUGH OF GLASSBORO
COUNTY OF GLOUCESTER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2025
Consisting of:
\$9,322,000* General Improvement Bonds
\$10,107,000* Water/Sewer Utility Bonds

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Glassboro in the County of Gloucester, New Jersey ("Borough"), in connection with the issuance and sale of \$19,429,000* aggregate principal amount of its General Obligation Bonds, Series 2025 ("Bonds"). The Bonds consist of: (i) \$9,322,000* General Improvement Bonds; and (ii) \$10,107,000* Water/Sewer Utility Bonds. This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey ("State"), as amended and supplemented ("Local Bond Law"); (ii) various bond ordinances duly and finally adopted by the Borough Council; (ii) bond ordinances 2020-05, 2020-06, 2020-07, 2021-04, 2021-05, 2021-06, 2022-13, 2023-08, 2023-09, 2024-10, and 2024-11 (collectively, the "Bond Ordinances"), each duly and finally adopted by Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on April 8, 2025; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on May __, 2025.

The Bonds are being issued by the Borough to provide funds that will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of bond anticipation notes of the Borough, dated August 15, 2024, and maturing on May 30, 2025; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

General Improvement Bonds

Bond Ordinance	Purpose/Improvement	Notes Outstanding	Available Funds	New Money	Amount Funded with Bond Proceeds
2020-05	Acquisition of Various Pieces of Capital Equipment and Completion of Various Capital Improvements	\$1,873,650	\$0	\$0	\$1,873,650
2020-06	Various Redevelopment Area Improvements	843,000	0	0	843,000

* Preliminary, subject to change

Bond Ordinance	Purpose/Improvement	Notes Outstanding	Available Funds	New Money	Amount Funded with Bond Proceeds
2021-04	Acquisition of Various Pieces of Capital Equipment and Completion of Various Capital Improvements	1,028,850	0	0	1,028,850
2021-05	Acquisition of Real Property in a Redevelopment Area	100,000	0	0	100,000
2022-13	Various General Capital Improvements	1,852,500	0	0	1,852,500
2023-08	Various General Capital Improvements	0	0	1,754,400	1,754,400
2024-10	Various General Capital Improvements	0	0	1,869,600	1,869,600
	Total:	\$5,698,000	\$0	\$3,624,000	\$9,322,000

Water/Sewer Utility Bonds

Bond Ordinance	Purpose/Improvement	Notes Outstanding	Available Funds	New Money	Amount Funded with Bond Proceeds
2020-07	Various Water and Sewer Capital Improvements	\$3,982,000	\$0	\$0	\$3,982,000
2021-06	Various Water and Sewer Capital Improvements	655,000	0	0	655,000
2023-09	Various Water and Sewer Capital Improvements	1,475,000	0	0	1,475,000
2024-11	Various Water and Sewer Capital Improvements	0	0	3,995,000	3,995,000
	Total:	\$6,112,000	\$0	\$3,995,000	\$10,107,000

THE BONDS

General

The Bonds will be issued in the aggregate principal amounts as shown on the inside front cover page hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on April 1 and October 1 (each an “Interest Payment Date”), commencing April 1, 2026, in each year until maturity or earlier redemption thereof. Interest on the Bonds shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

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

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the principal corporate trust office of TD Bank, National Association, Mount Laurel, New Jersey as its hereafter designated paying agent. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Borough for such purpose at the offices of the Borough, or its hereafter designated paying agent, if any, as of the close

of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date (each a “Record Date”).

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

Optional Redemption

The Bonds maturing on and after April 1, 2033 are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on or after April 1, 2032, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

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

BOOK-ENTRY-ONLY SYSTEM

General

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

The DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be

issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

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

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

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

Discontinuation of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Borough, or its hereafter designated paying agent, if any; (ii) the transfer of the Bonds may be registered on the books maintained by the Borough, or its hereafter designated

paying agent, if any, for such purposes only upon the surrender thereof to the Borough, or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Borough, or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of the Bonds, the Borough, or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY AND SOURCE OF PAYMENT

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

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

MARKET PROTECTION

The Borough does not anticipate issuing any additional bonds within the next ninety (90) days. The Borough may issue bond anticipation notes, as necessary, during the balance of the calendar year 2025.

GENERAL INFORMATION REGARDING THE BOROUGH

General

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

Financial

Appendix "B" to this Official Statement contains certain unaudited financial data of the Borough for the Borough's fiscal year ending December 31, 2024 and certain audited financial data of the Borough for the Borough's fiscal year ending December 31, 2023. The audited financial data was extracted from the report prepared by Bowman & Company, LLP ("Auditor") to the extent and for the period set forth in its report appearing in Appendix "B". The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

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

Local Bond Law

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

Debt Limits – The authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

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

Exceptions to Debt Limits - Extensions of Credit – The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

Refunding Bonds – Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to

others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds.

Local Fiscal Affairs Law

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

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

An independent examination of the Borough’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 is on file with the Chief Financial Officer and is available for review during business hours.

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

The Local Budget Law

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

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

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

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

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality

to increase its overall appropriations, it does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service on the Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) 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 Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service on its bonds or notes, including the Bonds.

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

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.

Operations of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be funded from utility surplus, if any, are required to be raised in the “Current” or operating budget.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit’s population exceeds 10,000 where a six (6) year capital program is required.

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented (“Act”), provides that when it has been established, by court proceedings, that

a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the “Commission”) shall take control of the fiscal affairs of the defaulting municipality.

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 89.75%. 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.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under State Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax liens retained by the Borough are periodically assigned to the Borough Attorney (as hereinafter defined) for “in rem foreclosures” in order to acquire title to these properties.

Tax Appeals

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

SECONDARY MARKET DISCLOSURE

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

In accordance with the Rule and prior secondary market disclosure undertakings, within the five years immediately preceding the date of this Official Statement, the Borough failed to timely file its annual operating data for the year ended December 31, 2019. While the Borough filed its operating data, as required by the Rule, certain information was omitted or incomplete for that year. Additionally, the Borough failed to timely file the required late filing notice in connection with the item referenced above. Such information has since been filed with EMMA. The Borough appointed Phoenix Advisors, Hamilton, New Jersey to

serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

LITIGATION

To the knowledge of the Borough's Solicitor, Timothy D. Scaffidi, Esquire, Woodbury, New Jersey ("Solicitor"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Borough if adversely decided.

TAX MATTERS

Federal

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

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

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

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

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount

under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the “modified adjusted gross income” of the taxpayer and certain other individuals. “Modified adjusted gross income” means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The Borough has not designated the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code.

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

New Jersey

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds.

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

RATING

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

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

NO DEFAULT

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

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

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

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

Pursuant to the funding methodology under the Plan, the Borough received \$2,123,515.64 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend the Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Borough that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Borough prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

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

Cyber Security

The Borough relies on a complex technology environment to conduct its various operations. As a result, the Borough faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Borough has invested in multiple forms of cybersecurity and operational safeguards.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters, 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 impact local infrastructure that provides essential services to the Borough, as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Borough.

UNDERWRITING

The Bonds have been purchased from the Borough at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated May __, 2025. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any

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

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

APPROVAL OF LEGAL PROCEEDINGS

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

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

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

LEGALITY FOR INVESTMENT

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

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects,

and it will confirm the same to the purchasers of the Bonds by certificates signed by various officers and officials of the Borough upon issuance and delivery of the Bonds.

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

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Borough and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Karyn Paccione, Chief Financial Officer, Borough of Glassboro, 1 South Main Street, Glassboro, New Jersey 08028, (856) 881-9230 or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, telephone (609) 291-0130.

MISCELLANEOUS

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

THE BOROUGH OF GLASSBORO, COUNTY OF GLOUCESTER, NEW JERSEY

By: _____
KARYN PACCIONE, Chief Financial Officer

Dated: May __, 2025

APPENDIX A

GENERAL INFORMATION REGARDING THE BOROUGH OF GLASSBORO

INFORMATION REGARDING THE BOROUGH¹

The following material presents certain economic and demographic information of the Borough of Glassboro (the “Borough”), in the County of Gloucester (“County”), State of New Jersey (“State”).

General Information

Industry, commerce and education have kept the Borough in the forefront of growth in the County and Southern New Jersey for more than two centuries. After the Revolutionary War, glass became an important industry, and superior glass products were produced in a village which came to be known as “Glass Town”. The town was incorporated as “Glassborough” in 1802.

Today, modern commerce ideally suited to the needs of economic growth has taken the place of the historic glass industry in the Borough. New retail stores and shopping centers continue to be established along Delsea Drive and the Borough’s downtown is thriving, creating a climate where entrepreneurs and established businesspersons can form partnerships benefiting area residents.

The Borough is located within twenty miles of Philadelphia, Pennsylvania, offering the advantages of suburban living and access to the economic and cultural opportunities of one of the largest metropolitan areas in the United States. Many housing options are available in the Borough, including single family homes, townhouses and apartments to fit diverse tastes and budgets. Senior citizen housing is located in two sections of the Borough and the Glassboro Housing Authority (“Housing Authority”) operates a center in the Elsmere section of the Borough.

Form of Government

The Borough is governed by a mayor and six (6) council representatives who enact the laws and guide the departments in response to residents’ needs.

Public Safety

Paid police department and paid firefighters, enhanced by an active volunteer fire company, are important elements of the Borough’s public safety organization.

Public Works

The Borough Highway Department’s main function is to maintain the streets and roads in good condition and to improve the storm drainage system. The Borough Sanitation Department is responsible for the removal of all garbage and refuse. The Automotive Shop repairs all Borough vehicles including police cars.

¹ Source: The Borough, unless otherwise indicated.

Recreation

The Park and Recreation Commission conducts recreation and cultural activities for residents of the Borough. It maintains, operates and improves parks and recreational areas, the Senior Citizen Center and the Shuttle Bus. Nine (9) park and recreation facilities are located within the Borough.

Borough Employees

The Borough employs approximately 220 full-time and part-time workers.

Collective Bargaining Units

Fraternal Order of Police Lodge 108: Approximately thirty-eight (38) Patrol Officers, Corporals and Detective in the Police Department have a contract that expires December 31, 2029. Approximately ten (10) Sergeants, Lieutenants and Captains in the Police Department have a contract that expires December 31, 2029 as well. The financial terms for both contracts are as follows: January 2026 – 3.00%; January 2027 – 3.00%; January 2028 – 3.00%; January 2029 – 3.00%.

Glassboro Career Firefighters Association: Thirteen (13) Full-time Firefighters were covered by a contract that expired on December 31, 2024. This contract is currently in negotiations.

Glassboro Superior Fire Officers: Two (2) Full-time Captain Firefighters and two (2) Lieutenant Firefighters were covered by this contract that expires December 31, 2024. This contract is currently in negotiations.

United Food & Commercial Workers Union Local 1360: The UFCW has three (3) separate contracts that expire December 31, 2026. The financial terms for all three (3) contracts are as follows: January 2022 – 2.25%; January 2023 – 2.25%; January 2024 – 2.25%; January 2025 – 2.25%; January 2026 – 2.25%. The Mechanics Department includes four (4) employees, the Highway Department includes approximately thirty-three (33) employees, and the Police Records Department includes three (3) employees.

The Communications Workers of America, AFL-CIO Local 1085: Approximately 19 Support Staff throughout the Borough's Departments are covered under a contract that expires December 31, 2025. The financial terms for this contract are as follows: January 2022 – 2.25%; January 2023 – 2.25%; January 2024 – 2.25%; January 2025 – 2.25%.

Rowan University²

The Borough is home to Rowan University (“Rowan University”), ranked among the best institutions of higher education in the United States by the U.S. News & World Report. The university includes 18 colleges and schools with a total enrollment of approximately 22,000 students. Academic programs include 90 bachelor’s, 48 master’s, two (2) professional and nine (9) doctoral degree programs. Focused on practical research at the intersection of engineering, medicine, science and business, Rowan University has earned national recognition for innovation, commitment to high-quality, affordable education and developing public-private partnerships.

In 1917 the New Jersey State Normal School, which later became Glassboro State College, was established in the Borough. In 1967, Glassboro State College received international attention when Soviet Premier Alexi Kosygin and President Lyndon B. Johnson met at Hollybush Mansion on the school’s campus. In 1993, local industrialist Henry Rowan donated \$100 million, the largest single donation which had ever been given to a college, to the institution to establish a school of engineering. In appreciation, Glassboro State College was renamed Rowan College of New Jersey, which went on to attain university status in 1997. Major construction projects have since been completed including: the University Townhouses, Science Hall, Education Hall, and the Samuel H. Jones Innovation Center, the first building of the South Jersey Technology Park at Rowan University. In 2000, Rowan University entered into a public-private partnership that led to the construction of Rowan Boulevard, a \$300 million, mixed-use redevelopment project that links the campus with the Borough’s historic downtown.

Cooper Medical School of Rowan University-the first new medical school in New Jersey in more than 35 years and the first-ever M.D.-granting four-year program in South Jersey-was developed in partnership with Cooper University Health Care. The medical school welcomed its first class in the summer of 2012 into a new six-story building adjacent to Cooper University Hospital in Camden. Close to 3,000 students applied for 50 spots in the medical school’s charter class.

In 2013, Rowan University again changed dramatically when the New Jersey Medical and Health Sciences Education Restructuring Act (the “Act”) went into effect. The Act (i) designated Rowan University as New Jersey’s second comprehensive public research institution, (ii) transferred both the University of Medicine and Dentistry of New Jersey’s School of Osteopathic Medicine and the Graduate School of Biomedical Sciences in Stratford to Rowan University, and (iii) partnered the University with Rutgers-Camden to create a College of Health Sciences in the City of Camden. Rowan University became the second institution in the nation to have both a D.O.-granting medical school and an M.D.-granting medical school.

Additionally, Rowan University was awarded \$117 million by the Building Our Future Bond Act. In large part, that funding was used to construct new buildings for the College of

² Source: Rowan University.

Engineering and the Rohrer College of Business. These facilities enabled both colleges to virtually double their enrollments in their high-demand programs to 2,000 students each.

The University also recently broke ground to construct a new veterinary school. The Schreiber School of Veterinary Medicine of Rowan University will be the first veterinary school in the State of New Jersey. The School plans to hire more than 100 new employees and the facility is expected to be 162,000-square feet. The facility is expected to open in August of 2025.

Business/Industry and Redevelopment

The Borough continues to move forward with its plans to fill vacancies, bring new business to the area, clean up the downtown business district and develop additional industrial, flex and office space throughout the Borough. The Borough is committed to redevelopment and the local residents, business owners, Rowan University and Borough officials are all working together to ensure its success. Over 500 new residential housing units are in the development pipeline at or near the Planning Board stage and the Borough has approved multiple cannabis licenses (cultivation and retail) that generate a 2.00% local sales tax. The following is a brief summary of the recently completed redevelopment initiatives in the Borough.

Rowan Boulevard: In 2000, Mayor and Council designated a 200-acre tract within the Central Business District as a Redevelopment Area. With this designation, the municipality can relax zoning and contract-bidding laws, speed up permit approvals, offer property-tax incentives and borrow public money more easily to attract commercial and residential development. With this designation in place, the Borough partnered with Sora Holdings, LLC (“Developer”) and Rowan University for the creation of “Rowan Boulevard” or the “Boulevard”, a mixed retail and residential road that links downtown to the campus of Rowan University. The unique public-private partnership is restoring the concept of “downtown,” where shopping, working, living and playing take place in a cohesive, walkable community. Due to the cooperative nature of this innovative relationship, progress on construction of Rowan Boulevard is unhindered by the constraints of the economy. The Developer made a \$350 million commitment to Rowan Boulevard, with an additional \$1 million from Rowan University and an additional \$3 million for roadway construction from New Jersey Department of Transportation and federal sources.

The total redevelopment process, which spanned nearly 20 years, was completed in 2018 with the redevelopment of the final available parcels. The full project includes a combination of student housing, market-rate housing, classroom/office space, retail space, a hotel and parking structures. In total, Rowan Boulevard contains: (i) over 1,600 student housing units; (ii) approximately 115 market-rate luxury units; (iii) approximately 2,100 parking spaces; (iv) 600,000 square feet of mixed-use space, which includes a hotel, retail, restaurants, an urgent care and specialty medical offices; and (v) several classrooms, office space and a fitness center for Rowan University.

Notable buildings/retailers include: (i) a Barnes & Noble Collegiate Superstore, which was the first major retailer on the Boulevard; (ii) the Whitney Center, which was the first mixed-use project and includes a 129-room Marriott Courtyard hotel and conference center; (iii) a Continuing Graduate Education Center for Rowan University; and (iv) a 317,000 square foot mixed-use

building at 220 Rowan Boulevard, which was awarded \$22.5 million in tax incentives over 10 years from the New Jersey Economic Development Authority, thanks to the 2013 Economic Opportunity Act.

Upon completion, Rowan Boulevard generates approximately \$2.5 million in new annual property taxes, approximately 400 short-term construction jobs and approximately 700 permanent jobs. Rowan Boulevard is the cornerstone of a much larger revitalization encompassing a total of 81-acres in several adjoining neighborhoods in the downtown redevelopment zone. The entire revitalization is expected to draw more than 125 new retail stores, infusing the local economy with more than \$225 million annually.

Town Square and Downtown Arts & Entertainment District: In 2016, the Borough was awarded funding from Green Acres for a 1.75-acre park to link the development along Rowan Boulevard with the Borough's existing commercial corridor on Main and High Streets. Formerly a series of underutilized buildings, the property evolved into beautifully programmed open space, that is home to daily, weekly, seasonal and annual events and festivities. The Town Square is the active, community-gathering place for the entire region where pedestrian-friendly streets and walkways provide the ideal atmosphere for enjoying a day with the family. The center of the park serves as the site for various large-scale community events. More intimate gathering spaces along the park's perimeter accommodate everyday outdoor activities, suitable for a growing downtown setting.

In addition, pavilions dedicated to the arts support the Downtown Arts & Entertainment District with nearly constant outdoor cultural and entertainment options. The Glassboro Performing Arts Center was the one of the first completed projects in the Downtown Arts & Entertainment District, and features a performing arts venue as well as mixed-use, visual arts-oriented space. Rowan University also leased space for its communications and fine arts offices, student newspaper instructional space and the Rowan Art Gallery. More recently, approximately 120 luxury market-rate units were constructed in the Town Square adjacent to the park. These units provide easy access to local events in the Town Square, including patronage at the local shops and restaurants, further spurring growth in the local economy. Additionally, there are plans to add 78 new up/down condo units. The upper units will have a rooftop deck.

The Borough also recently broke ground a 92 residential unit apartment building that is expected to be completed by Spring of 2026. This project is expected to increase the amount of affordable housing in the Borough and drive an increase in the ratable base.

North/South Delsea Drive Corridor and the Route 55 Area: The North Delsea Drive Corridor is home to various retail, restaurants and big box stores. Many of these businesses have relocated into the Borough and expanded their footprints. The South Delsea Drive Corridor was home to various old warehouses and mini-industrial parks. The Borough secured New Jersey Department of Environmental Protection Brownfields Grants to renovate the underutilized buildings at the site with the goal of developing flex and office space. As these businesses expand, they are relocating in the Borough and, in one case, developing their own Industrial Park along the Route 55 Corridor with additional flex space available for purchase or rent. The Borough continues negotiations with various developers to develop light industrial/office warehouse

configurations in the area. The old Anchor Hocking factory was transformed into the Route 55 Industrial Center and successfully sub-divided to house multiple businesses. Additionally, the Route 55 Area is home to a multi-phase residential development that includes single-family homes, townhomes, flats and an over-55 community.

In 2017, the Housing Authority completed demolition and environmental remediation of Ellis Manor, a former affordable housing project for low-income families. The site was composed of approximately 75 units and was long known for its high crime rate and as an unsafe place to live or visit. The site was redeveloped into the Village at Harmony Gardens, which includes 65 one-story cottage affordable units for seniors and developmentally disabled community members.

Education

Public, private, and parochial educational options are available in the Borough. The Glassboro School District includes three (3) elementary schools, an intermediate school, and a high school. In a partnership with Rowan University, Glassboro School District's School Choice Academies offer Biomedical Studies, STEM and Fine & Performing Arts Learning Opportunities.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits ("Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and

municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program (“DCRP”) is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Largest County Employers (as of 2024)

<u>Name</u>	<u>Number of Employees</u>
Rowan University	3,500
Inspira Health Network	2,000
Walmart - Turnersville	1,500
Washington Township School District	1,495
County of Gloucester	1,200
Monroe Township School District	912
Jefferson Health	670
Shop Rite	575
Aryzta LaBrea Bakery, Inc.	500
Keller Williams Realty	500

Source: Comprehensive Annual Financial Report of the School District

Building Permits

The Borough records of certificates of occupancy permits issued by the Borough Construction Code Officer illustrate the following growth patterns within the Borough for the past five (5) years.

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2023	122	\$16,499,722
2022	779	20,459,696
2021	734	9,750,711
2020	700	16,840,366
2019	700	8,123,782

Source: The Borough & <https://www.nj.gov/labor/labormarketinformation/assets/>

Labor Contracts

<u>Type of Employee</u>	<u>Union</u>	<u>Contract Expiration</u>
Blue Collar	United Food And Commercial Workers Union, Local 1360	12/31/26
Police Department	Fraternal Order of Police, Lodge 108	12/31/29
Fire Department*	IAFF, Local 3592	12/31/24
Fire Department Superior*	IAFF, Local 3592	12/31/24
White Collar	Communication Workers of America AFL-CIO, Local 1085	12/31/25

*Currently in negotiations

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Borough, the County, and the State:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Borough</u>				
2023	10,715	10,248	467	4.4%
2022	10,488	10,068	420	4.0%
2021	10,278	9,594	684	6.7%
2020	10,165	9,275	890	8.8%
2019	10,205	9,815	390	3.8%
<u>County</u>				
2023	164,258	157,191	7,067	4.3%
2022	160,615	154,432	6,183	3.8%
2021	157,201	147,161	10,040	6.4%
2020	156,240	142,271	13,969	8.9%
2019	156,044	150,439	5,605	3.6%
<u>State</u>				
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,736,213	4,552,563	183,650	3.9%
2021	4,648,814	4,337,793	311,021	6.7%
2020	4,638,386	4,200,980	437,406	9.4%
2019	4,687,390	4,525,044	162,346	3.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2023)

	<u>Borough</u>	<u>County</u>	<u>State</u>
Median Household Income	\$80,388	\$102,807	\$101,050
Median Family Income	100,285	127,695	123,892
Per Capita Income	36,667	47,760	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

	<u>Borough</u>		<u>County</u>		<u>State</u>	
<u>Year</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2023 est.	23,987	3.6%	308,423	2.0%	9,290,841	0.0%
2020	23,149	24.6	302,294	4.9	9,288,994	5.7
2010	18,579	-2.6	288,288	13.2	8,791,894	4.5
2000	19,068	22.1	254,673	10.7	8,414,350	8.9
1990	15,614	7.1	230,082	15.1	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Borough and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2024 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Borough of Glassboro	\$29,606,800	2.18%
Essex Chase at Glassboro LLC	22,502,000	1.66%
Kranzco Realty Trust C/O Ryan LLC	20,700,000	1.53%
Park Crest Village 2014 LLC	19,000,000	1.40%
LMX Doubletree CTR @Colliers	15,552,800	1.15%
Glassboro Crossings Apartment LP	13,000,000	0.96%
Glassboro Properties II LLC	10,844,100	0.80%
Hollybush Preservation Partners LP	9,462,700	0.70%
Glassboro Plaza LLC	8,750,000	0.65%
8 Boys LLC	<u>7,241,700</u>	<u>0.53%</u>
Total	<u>\$156,660,100</u>	<u>11.55%</u>

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024U	\$48,342,331	\$47,425,388	98.10%
2023	47,469,221	46,889,499	98.78%
2022	46,078,588	45,415,547	98.56%
2021	45,538,914	44,744,099	98.25%
2020	44,832,428	44,019,166	98.19%

U: Unaudited

Source: Annual Audit Reports of the Borough

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024U	\$17,361	\$869,781	\$887,142	1.84%
2023	89,379	556,274	645,652	1.36%
2022	101,830	643,927	745,756	1.62%
2021	85,757	715,303	801,060	1.76%
2020	95,507	730,820	826,328	1.84%

U: Unaudited

Source: Annual Audit Reports of the Borough

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024U	\$4,143,180
2023	4,075,480
2022	4,075,480
2021	4,075,480
2020	4,158,955

U: Unaudited

Source: Annual Audit Reports of the Borough

Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Borough residents for the past five (5) years.

		Local		
<u>Year</u>	<u>Municipal</u>	<u>School</u>	<u>County</u>	<u>Total</u>
2024	\$1.078	\$1.715	\$0.727	\$3.520
2023	1.076	1.697	0.726	3.499
2022	1.040	1.684	0.740	3.464
2021	1.045	1.709	0.769	3.523
2020	1.044	1.700	0.799	3.543

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2024	\$1,355,811,602	\$1,824,043,592	74.33%	\$0	\$1,824,043,592
2023	1,337,916,600	1,603,639,698	83.43	0	1,603,639,698
2022	1,318,462,200	1,413,294,244	93.29	6,755,774	1,420,050,018
2021	1,276,971,700	1,301,671,399	98.11	6,886,751	1,308,558,150
2020	1,258,030,700	1,299,667,063	96.76	5,823,166	1,305,490,229

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2025	\$67,363,400	\$1,004,000,600	\$1,342,300	\$195,770,302	\$24,138,300	\$71,675,100	\$1,364,290,002
2024	64,768,200	1,002,338,100	1,345,200	191,934,702	24,138,300	71,287,100	1,355,811,602
2023	62,156,700	992,939,200	1,342,100	189,079,900	21,111,600	71,287,100	1,337,916,600
2022	61,396,400	975,388,000	1,361,600	187,917,500	21,111,600	71,287,100	1,318,462,200
2021	66,533,200	957,456,400	1,476,800	176,408,600	21,111,600	53,985,100	1,276,971,700

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Borough's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
Fund Balance Utilized	\$1,705,500	\$1,984,500	\$1,984,500	\$3,118,500	\$3,193,500
Miscellaneous Revenues	12,532,242	13,638,251	13,133,825	12,860,169	13,517,537
Receipts from Delinquent Taxes	786,829	725,000	660,000	582,000	850,000
Amount to be Raised by Taxation	<u>13,414,031</u>	<u>13,794,562</u>	<u>14,397,282</u>	<u>14,619,007</u>	<u>15,262,535</u>
Total Revenue:	<u>\$28,438,601</u>	<u>\$30,142,313</u>	<u>\$30,175,606</u>	<u>\$31,179,675</u>	<u>\$32,823,572</u>

Appropriations

General Appropriations	\$22,697,839	\$23,134,579	\$23,680,321	\$24,804,822	\$25,896,222
Operations (Excluded from CAPS)	1,150,073	2,454,183	2,073,093	1,877,871	2,044,839
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Transferred to Board of Education	82,443	83,377	83,550	83,356	83,779
Capital Improvement Fund	318,868	339,606	407,793	425,416	667,538
Municipal Debt Service	3,353,743	3,314,552	3,249,480	3,401,869	3,203,756
Reserve for Uncollected Taxes	<u>835,635</u>	<u>816,016</u>	<u>681,369</u>	<u>586,341</u>	<u>927,438</u>
Total Appropriations:	<u>\$28,438,601</u>	<u>\$30,142,313</u>	<u>\$30,175,606</u>	<u>\$31,179,675</u>	<u>\$32,823,572</u>

*Introduced Budget

Source: Annual Adopted Budgets of the Borough

Fund Balance

Current Fund - The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

<u>Year</u>	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2024U	\$7,207,726	\$3,193,500*
2023	7,273,460	3,118,500
2022	5,833,906	1,984,500
2021	5,244,871	1,984,500
2020	4,279,205	1,705,500

U: Unaudited

*Introduced Budget

Source: Annual Audit Reports of the Borough

Water & Sewer Utility Operating Fund - The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Water & Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

Fund Balance		
<u>Water & Sewer Utility Operating Fund</u>		
<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget</u>
	<u>12/31</u>	<u>of Succeeding Year</u>
2024U	\$4,718,093	\$2,750,091*
2023	4,937,231	2,395,581
2022	5,420,980	2,437,998
2021	5,786,084	2,435,667
2020	6,198,154	2,077,139

U: Unaudited

*Introduced Budget

Source: Annual Audit Reports of the Borough

Parking Utility Operating Fund - The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Parking Utility Operating Fund for the past five (5) fiscal years ending December 31.

Fund Balance		
<u>Parking Utility Operating Fund</u>		
<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget</u>
	<u>12/31</u>	<u>of Succeeding Year</u>
2024U	\$132,627	\$25,000*
2023	27,219	25,000
2022	26,815	25,000
2021	26,647	25,000
2020	26,514	25,000

U: Unaudited

*Introduced Budget

Source: Annual Audit Reports of the Borough

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Borough Indebtedness as of December 31, 2024

General Purpose Debt

Serial Bonds	\$20,880,000
Bond Anticipation Notes	5,698,000
Bonds and Notes Authorized but Not Issued	3,624,250
Other Bonds, Notes and Loans	<u>974,350</u>
Total:	\$31,176,600

Local School District Debt

Serial Bonds	\$14,592,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>24,496,000</u>
Total:	\$39,088,000

Self-Liquidating Debt

Serial Bonds	\$9,260,000
Bond Anticipation Notes	6,112,000
Bonds and Notes Authorized but Not Issued	3,995,000
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$19,367,000

TOTAL GROSS DEBT

\$89,631,600

Less: Statutory Deductions

General Purpose Debt \$74,950

Local School District Debt 39,088,000

Self-Liquidating Debt 19,367,000

Total: \$58,529,950

TOTAL NET DEBT

\$31,101,650

Source: Annual Debt Statement of the Borough

[Remainder of page intentionally left blank]

Overlapping Debt (as of December 31, 2024)³

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Borough Percentage</u>	<u>Borough Share</u>
Local School District	\$39,088,000	100.00%	\$39,088,000
County (2023)	334,838,418	4.79%	<u>16,023,194</u>
Net Indirect Debt			\$55,111,194
Net Direct Debt			<u>31,101,650</u>
Total Net Direct and Indirect Debt			<u>\$86,212,844</u>

Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$1,734,777,859
Permitted Debt Limitation (3 1/2%)	60,717,225
Less: Net Debt	<u>31,101,650</u>
Remaining Borrowing Power	<u>\$29,615,575</u>
Percentage of Net Debt to Average Equalized Valuation	1.793%
Gross Debt Per Capita based on 2020 population of 23,149	\$3,872
Net Debt Per Capita based on 2020 population of 23,149	\$1,344

Source: Annual Debt Statement of the Borough

³ Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

APPENDIX B

FINANCIAL STATEMENTS OF THE BOROUGH OF GLASSBORO

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Glassboro
Glassboro, New Jersey 08028

Management is responsible for the accompanying financial statements of the Borough of Glassboro, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2024 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Respectfully submitted,

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

/s/ Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 6, 2025

BOROUGH OF GLASSBORO - CURRENT FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Assets

Regular Fund:

Cash - Chief Financial Officer	\$ 11,708,041
Cash - Change Fund	1,500
Due from Insurance	23,243
	<hr/>
	11,732,784
	<hr/>

Receivables and Other Assets with

Full Reserves:

Delinquent Property Taxes Receivable	869,781
Tax Title Liens Receivable	17,361
Miscellaneous Liens Receivable	500
Property Acquired for Taxes--Assessed Valuation	4,143,180
Revenue Accounts Receivable	54,745
Local Grants Receivable	11,977
	<hr/>
	5,097,544
	<hr/>
	16,830,328
	<hr/>

Federal and State Grant Fund:

Due from Current Fund	303,973
Federal and State Grants Receivable	1,433,941
	<hr/>
	1,737,914
	<hr/>

Total Assets	<hr/> <hr/> \$ 18,568,242
--------------	---------------------------

(Continued)

BOROUGH OF GLASSBORO - CURRENT FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Liabilities, Reserves and Fund Balance

Regular Fund:

Appropriation Reserves	\$ 1,340,153
Reserve for Encumbrances	389,361
Due to State of New Jersey - Veterans and Senior Citizens Deductions	57,661
Prepaid Taxes	499,661
Tax Overpayments	1,690
Due County for Added and Omitted Taxes	125,275
Accounts Payable	113,821
Reserve for Administrative Fee	797,465
Reserve for Demolition Loan	75,350
Reserve for Evidence & Property Deposits	4,126
Reserve for Due to State of NJ - Lead Paint Fees	2,980
Due to Federal and State Grant Fund	303,973
Reserve for Local Grants - Appropriated	810,930
Reserve for Encumbrances for Local Grants	1,912
Due to State of New Jersey - Fees	700

Total Liabilities	4,525,058
-------------------	-----------

Reserve for Receivables	5,097,544
Fund Balance	7,207,726

16,830,328

Federal and State Grant Fund:

Reserve for Encumbrances	28,774
Reserve for Federal and State Grants: Appropriated	1,709,140

1,737,914

\$ 18,568,242

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - CURRENT FUND
Statement of Operations and Changes
in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue and Other Income Realized:

Fund Balance Utilized	\$ 3,118,500
Miscellaneous Revenues Anticipated	13,943,532
Receipts from Delinquent Taxes	613,544
Receipts from Current Taxes	47,425,388
Non-Budget Revenues	807,434
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,596,346
Cancellation of Accounts Payable	15,450
Interfund Loans Returned	436,402
Refund of Prior Year Expenditures	1,044
	<hr/>
Total Income	67,957,640

Expenditures:

Budget Appropriations:	
Appropriations Within "CAPS":	
Salaries and Wages	12,386,942
Other Expenses	8,884,365
Deferred Charges and Statutory Expenditures	3,532,940
Appropriations Excluded from "CAPS":	
Other Expenses	2,965,655
Capital Improvements	96,900
Municipal Debt Service	3,402,443
Transferred to Boards of Education	83,356
County Taxes	8,683,010
County Library Taxes	583,028
County Open Space Taxes	569,728
County for Added and Omitted Taxes	125,275
Local District School Tax	23,265,145
Cancellation of Federal and State Grants Receivable	236
Prior Year Senior Citizen Disallowed	2,750
Land Tax	320,123
Interfund Loans Advanced	2,978
	<hr/>

Total Expenditures	64,904,874
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Excess in Revenues	3,052,766
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Fund Balance January 1	7,273,460
------------------------	-----------

Sub-Total	10,326,226
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Decreased by:	
Utilized as Anticipated Revenue	3,118,500

Fund Balance December 31	\$ 7,207,726
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See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - TRUST FUND
Statement of Assets, Liabilities and Reserves--
Regulatory Basis
As of December 31, 2024

Assets:

Animal Control Fund:

Cash - Chief Financial Officer	\$ 4,226
	<u>4,226</u>

Trust Other Fund:

Cash - Chief Financial Officer	5,569,530
Cash - Change Fund	25
	<u>5,569,555</u>
	<u>\$ 5,573,781</u>

Liabilities and Reserves:

Animal Control Fund:

Reserve for Animal Control Fund Expenditures	\$ 4,226
	<u>4,226</u>

Trust Other Fund:

Due to State of New Jersey:	
DCA Fees	12,030
Hunting and Fishing Licenses	75,002
Miscellaneous Trust Reserves and Escrows:	
Payroll Deductions	126,393
Park and Recreation	245,170
Off-Duty Police	27,739
POAA Fees	4,291
Recycling	249,439
Public Defender	4,959
Uniform Fire Safety Penalty Monies	31,197
Police Donations	8,557
Construction Code Enforcement	1,286,623
Storm Recovery	116,942
Community Events Donations	106,924
Fiber Optics System Self Insurance Program	92,759
Deposits for Redemption of Tax Sale Certificates	18,338
Reserve for Tax Sale Premiums	314,500
Reserve for Affordable Housing Fees	1,862,821
Reserve for Developers' Escrow Fees	778,318
Reserve for Unemployment Claims	92,069
Reserve for Foreited Funds	15,484
Abandoned Property Maintenance	100,000
	<u>5,569,555</u>
	<u>\$ 5,573,781</u>

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Assets:

Cash - Chief Financial Officer	\$ 369,448
Demolition Loan Receivable	277,967
Grants Receivable	1,000,000
Deferred Charges to Future Taxation:	
Funded	21,854,350
Unfunded	9,322,250
	\$ 32,824,015

Liabilities, Reserves and Fund Balance:

General Serial Bonds	\$ 20,880,000
Demolition Loan Payable	974,350
Bond Anticipation Notes	5,698,000
Improvement Authorizations:	
Funded	1,002,411
Unfunded	1,882,390
Reserve for Encumbrances	2,353,567
Capital Improvement Fund	1,362
Fund Balance	31,935
	\$ 32,824,015

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - WATER AND SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Assets:

Operating Fund:	
Cash - Chief Financial Officer	\$ 6,353,406
Change Fund	100
	<hr/>
	6,353,506
	<hr/>
Receivables With Full Reserves:	
Consumer Accounts Receivable	621,188
Utility Liens Receivable	1,846
Miscellaneous Rents Receivable	51,830
Miscellaneous Liens Receivable	522
	<hr/>
	675,386
	<hr/>
Total Operating Fund	7,028,892
	<hr/>
Capital Fund:	
Cash - Chief Financial Officer	1,630,038
Fixed Capital	44,608,028
Fixed Capital Authorized and Uncompleted	13,180,000
	<hr/>
Total Capital Fund	59,418,066
	<hr/>
	\$ 66,446,958
	<hr/> <hr/>

(Continued)

BOROUGH OF GLASSBORO - WATER AND SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Liabilities, Reserves and Fund Balance:

Operating Fund:	
Appropriation Reserves	\$ 987,278
Encumbrances Payable	468,609
Accounts Payable	17,451
Utility Rent Overpayments	24,114
Accrued Interest on Bonds, Notes and Loans	137,961
	<hr/>
	1,635,413
	<hr/>
Reserve for Receivables	675,386
Fund Balance	4,718,093
	<hr/>
Total Operating Fund	7,028,892
	<hr/>
Capital Fund:	
Serial Bonds Payable	9,260,000
Bond Anticipation Notes	6,112,000
Improvement Authorizations:	
Funded	129,678
Unfunded	5,005,756
Reserve for Encumbrances	416,831
Reserve for Amortization	38,421,028
Capital Fund Balance	72,773
	<hr/>
Total Capital Fund	59,418,066
	<hr/>
	\$ 66,446,958
	<hr/>

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - WATER AND SEWER UTILITY FUND
Statement of Operations and Changes
in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue and Other Income Realized:

Fund Balance Utilized	\$ 2,395,581
Rents	10,848,593
Meter Purchases	64,153
Delinquency Fees	121,118
Shared Service Agreement - Monroe Township	723,361
Miscellaneous Revenue Not Anticipated	647,963
Utility Capital Fund Balance	62,839
Other Credits to Income:	
Unexpended Balance of Appropriation Reserve	1,255,524
Accounts Payable Canceled	8,973
	<hr/>
Total Income	16,128,105
	<hr/>

Expenditures:

Operating	9,653,989
Capital Improvements	445,000
Debt Service	2,326,050
Deferred Charges and Statutory Expenditures	570,844
Surplus - General Budget	956,000
	<hr/>

Total Expenditures	13,951,883
	<hr/>

Excess in Revenues	2,176,222
--------------------	-----------

Fund Balance January 1	4,937,452
	<hr/>

Sub-Total	7,113,674
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Decreased by:

Utilized as Anticipated Revenue	2,395,581
	<hr/>

Fund Balance December 31	\$ 4,718,093
	<hr/> <hr/>

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - PARKING UTILITY OPERATING FUND
Statement of Assets, Liabilities, Reserves and
Fund Balance -- Regulatory Basis
As of December 31, 2024

Assets:

Operating Fund:

Cash - Chief Financial Officer

\$ 132,627

Total Operating Fund

\$ 132,627

Liabilities, Reserves and Fund Balance:

Fund Balance

\$ 132,627

Total Operating Fund

\$ 132,627

See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO - PARKING UTILITY OPERATING FUND
Statement of Operations and Changes
in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue and Other Income Realized:

Fund Balance Utilized	\$ 25,000
Rents	50,000
Parking Revenue	123,240
Miscellaneous Revenue Not Anticipated	1,586

Total Income	<u>199,826</u>
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Expenditures:

Operating	<u>69,418</u>
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Total Expenditures	<u>69,418</u>
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Excess in Revenues	130,408
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Fund Balance January 1	<u>27,219</u>
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Sub-Total	157,627
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Decreased by:

Utilized as Anticipated Revenue	<u>25,000</u>
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Fund Balance December 31	<u><u>\$ 132,627</u></u>
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See Independent Accountant's Compilation Report and selected notes.

BOROUGH OF GLASSBORO
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Glassboro (hereafter referred to as the "Borough") was incorporated in 1920 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2020 census is 18,579. The Borough is 9.2 square miles.

The Borough of Glassboro operates under a Mayor-Council form of government headed by the Mayor who is elected to serve a four-year term. Members of Council are elected to staggered three-year terms with two seats up each year. Executive and legislative responsibility rests with the Borough Council. The Business Administrator, appointed by Mayor and Council, oversees the daily operations of the Borough.

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

In accordance with the "Requirements", the Borough of Glassboro 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 and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer utility.

Parking Utility Operating Fund - The parking utility operating fund accounts for the parking operations undertaken by the Borough.

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes 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 and improvements and contributed capital.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The 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.

FOR THE YEARS ENDED 2023, 2022 AND 2021

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Glassboro
Glassboro, New Jersey 08028

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Glassboro, in the County of Gloucester, State of New Jersey, as of December 31, 2023, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Glassboro, in the County of Gloucester, State of New Jersey, as of December 31, 2023, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Glassboro, in the County of Gloucester, State of New Jersey, as of December 31, 2023, 2022 and 2021, 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 Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 3, 2024

BOROUGH OF GLASSBORO - 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>Assets</u>			
Regular Fund:			
Cash - Chief Financial Officer	\$ 11,953,507	\$ 10,274,649	\$ 9,712,722
Cash - Change Fund	1,300	950	950
	<u>11,954,807</u>	<u>10,275,599</u>	<u>9,713,672</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	556,274	643,927	715,303
Tax Title Liens Receivable	89,379	101,830	85,757
Miscellaneous Liens Receivable	500	20,977	5,625
Property Acquired for Taxes--Assessed Valuation	4,075,480	4,075,480	4,075,480
Revenue Accounts Receivable	42,193	38,990	24,241
Due From Federal and State Grant Fund	436,402	374,423	850,446
Due From Animal Control Trust Fund		1,348	1,348
Local Grants Receivable	9,000	8,925	181,000
	<u>5,209,228</u>	<u>5,265,899</u>	<u>5,939,199</u>
	<u>17,164,035</u>	<u>15,541,498</u>	<u>15,652,871</u>
Federal and State Grant Fund:			
Cash - Chief Financial Officer		1,064,944	1,047,758
Federal and State Grants Receivable	2,873,526	1,810,703	2,261,013
	<u>2,873,526</u>	<u>2,875,646</u>	<u>3,308,771</u>
Total Assets	<u>\$ 20,037,561</u>	<u>\$ 18,417,145</u>	<u>\$ 18,961,642</u>

(Continued)

BOROUGH OF GLASSBORO - 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>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Appropriation Reserves	\$ 1,952,218	\$ 1,781,542	\$ 1,607,987
Reserve for Encumbrances	323,589	263,281	313,605
Due to State of New Jersey - Veterans and Senior Citizens Deductions	58,010	59,164	55,135
Prepaid Taxes	456,644	442,972	527,100
Tax Overpayments	0	6,671	9,600
Due County for Added and Omitted Taxes	110,727	36,350	61,601
Accounts Payable	67,914	963	12,495
Reserve for Administrative Fee	797,465	917,465	902,465
Reserve for Municipal Relief Fund Aid	264,660	132,358	
Reserve for Demolition Loan	150,300	225,250	300,200
Reserve for Coronavirus Local Fiscal Recovery Fund	4,126	3,281	
Reserve for Due to State of NJ - Lead Paint Fees	3,380		
Reserve for Local Grants - Appropriated	489,934	569,746	670,149
Reserve for Encumbrances for Local Grants	1,654	2,650	8,139
Due to State of New Jersey - Fees	725		325
Total Liabilities	4,681,347	4,441,693	4,468,801
Reserve for Receivables	5,209,228	5,265,899	5,939,199
Fund Balance	7,273,460	5,833,906	5,244,871
	17,164,035	15,541,498	15,652,871
Federal and State Grant Fund:			
Reserve for Encumbrances	173,804	372,656	84,479
Reserve for Federal and State Grants:			
Unappropriated	3,955	1,064,944	1,047,758
Appropriated	2,259,365	1,063,624	1,326,088
Due to Current Fund	436,402	374,423	850,446
	2,873,526	2,875,646	3,308,771
	\$ 20,037,561	\$ 18,417,145	\$ 18,961,642

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

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

	For the Years Ended December 31,		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	\$ 1,984,500	\$ 1,984,500	\$ 1,705,500
Miscellaneous Revenues Anticipated	15,296,667	13,712,980	13,113,681
Receipts from Delinquent Taxes	674,277	709,853	759,151
Receipts from Current Taxes	46,889,499	45,415,547	44,744,099
Non-Budget Revenues	1,507,577	577,777	1,006,104
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	1,297,978	1,358,378	1,560,756
Cancellation of Accounts Payable	115		78
Interfund Loans Returned	1,348	648,099	507,513
Election - Contra Excess	631		
Refund of Prior Year Expenditures	11,635		
Refund of Prior Year Revenue			1,375
Statutory Excess in Animal Control Fund			1,348
Cancellation of Local Grants Appropriated	557		
Cancellation of Federal and State Grants Appropriated		41,097	26,497
Total Income	67,664,784	64,448,231	63,426,102
Expenditures:			
Budget Appropriations:			
Appropriations Within "CAPS":			
Salaries and Wages	12,192,578	12,564,818	12,402,698
Other Expenses	7,953,719	7,465,759	7,407,944
Deferred Charges and Statutory Expenditures	3,534,024	3,104,002	2,892,397
Appropriations Excluded from "CAPS":			
Other Expenses	4,232,191	2,794,733	2,212,993
Capital Improvements	92,350	97,500	54,150
Municipal Debt Service	3,249,479	3,314,550	3,276,878
Transferred to Boards of Education	83,550	83,377	82,443
County Taxes	8,588,231	8,681,228	8,730,138
County Library Taxes	587,850	590,173	601,340
County Open Space Taxes	531,879	514,160	533,673
County for Added and Omitted Taxes	110,727	36,350	61,601
Local District School Tax	22,707,964	22,313,931	21,940,368
Cancellation of Federal and State Grants Receivable		1,097	26,497
Cancellation of Local Grants Receivable	557		
Tax Overpayments Created	7,267		43,562
Prior Year Senior Citizen Disallowed	1,500	2,672	
Land Tax	304,809	306,001	305,906
Refund of Prior Year Revenue		4,345	
Interfund Loans Advanced	62,054		182,348
Total Expenditures	64,240,730	61,874,696	60,754,936
Excess in Revenues	3,424,054	2,573,535	2,671,166
Fund Balance January 1	5,833,906	5,244,871	4,279,205
Sub-Total	9,257,960	7,818,406	6,950,371
Decreased by:			
Utilized as Anticipated Revenue	1,984,500	1,984,500	1,705,500
Fund Balance December 31	\$ 7,273,460	\$ 5,833,906	\$ 5,244,871

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

BOROUGH OF GLASSBORO - TRUST FUND
Statements of Assets, Liabilities and Reserves--
Regulatory Basis

	As of December 31,		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Assets:</u>			
Animal Control Fund:			
Cash - Chief Financial Officer	\$ 16,833	\$ 26,762	\$ 35,573
	16,833	26,762	35,573
Trust Other Fund:			
Cash - Chief Financial Officer	5,332,431	4,666,656	3,816,914
Cash - Change Fund	25	25	25
	5,332,456	4,666,681	3,816,939
	<u>\$ 5,349,289</u>	<u>\$ 4,693,443</u>	<u>\$ 3,852,512</u>
<u>Liabilities and Reserves:</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	\$ 16,815	\$ 25,410	\$ 34,217
Due to State of New Jersey - Dog License Fees	18	4	8
Due to Current Fund		1,348	1,348
	16,833	26,762	35,573
Trust Other Fund:			
Due to State of New Jersey:			
DCA Fees	10,332	10,603	8,048
Miscellaneous Trust Reserves and Escrows:			
Payroll Deductions	209,238	128,184	150,314
Park and Recreation	204,591	195,005	161,480
Off-Duty Police	29,229	27,227	26,667
POAA Fees	5,770	6,156	7,472
Recycling	285,299	353,698	323,105
Public Defender	18,809	13,264	7,574
Uniform Fire Safety Penalty Monies	20,997	17,837	23,385
Police Donations	8,765	11,295	8,031
Construction Code Enforcement	1,310,253	1,160,618	893,794
Storm Recovery	150,085	125,085	140,590
Community Events Donations	93,535	94,760	100,264
Fiber Optic Maintenance	85,670	85,361	81,722
Deposits for Redemption of Tax Sale Certificates	2,926	41,611	
Reserve for Tax Sale Premiums	260,800	321,300	235,500
Reserve for Affordable Housing Fees	1,408,092	1,015,360	667,594
Reserve for Developers' Escrow Fees	895,733	730,402	645,869
Reserve for Unemployment Claims	218,072	214,070	216,999
Reserve for Foreited Funds	14,261	14,846	18,533
Abandoned Property Maintenance	100,000	100,000	100,000
	5,332,456	4,666,681	3,816,939
	<u>\$ 5,349,289</u>	<u>\$ 4,693,443</u>	<u>\$ 3,852,512</u>

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

BOROUGH OF GLASSBORO - 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>Assets:</u>			
Cash - Chief Financial Officer	\$ 537,531	\$ 3,362,363	\$ 2,796,653
Demolition Loan Receivable	277,967	277,967	286,541
Grants Receivable	1,000,000	1,000,000	
Deferred Charges to Future Taxation:			
Funded	24,444,300	26,999,250	29,673,620
Unfunded	7,587,225	5,832,575	3,980,075
	<u>\$ 33,847,024</u>	<u>\$ 37,472,155</u>	<u>\$ 36,736,889</u>
<u>Liabilities, Reserves and Fund Balance:</u>			
General Serial Bonds	\$ 23,395,000	\$ 25,875,000	\$ 28,474,420
Demolition Loan Payable	1,049,300	1,124,250	1,199,200
Bond Anticipation Notes	3,980,075	3,980,075	2,851,225
Improvement Authorizations:			
Funded	1,089,148	1,279,722	1,533,393
Unfunded	2,826,715	3,880,281	1,864,010
Due to Current Fund			
Reserve for Encumbrances	1,451,547	1,279,664	789,967
Capital Improvement Fund	2,862	2,862	2,862
Fund Balance	52,378	50,301	21,812
	<u>\$ 33,847,024</u>	<u>\$ 37,472,155</u>	<u>\$ 36,736,889</u>

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

BOROUGH OF GLASSBORO - 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>Assets:</u>			
Operating Fund:			
Cash - Chief Financial Officer	\$ 6,835,151	\$ 7,088,330	\$ 7,155,876
Change Fund	100	100	100
	<u>6,835,251</u>	<u>7,088,430</u>	<u>7,155,976</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	458,937	465,236	552,899
Utility Liens Receivable	3,669	7,357	12,786
Miscellaneous Rents Receivable	39,605	24,980	
Miscellaneous Liens Receivable	327	1,857	1,644
	<u>502,538</u>	<u>499,430</u>	<u>567,330</u>
Total Operating Fund	<u>7,337,789</u>	<u>7,587,861</u>	<u>7,723,306</u>
Capital Fund:			
Cash - Chief Financial Officer	876,789	1,691,258	2,699,208
Fixed Capital	44,205,536	44,007,786	43,705,665
Fixed Capital Authorized and Uncompleted	9,185,000	7,710,000	7,710,000
Total Capital Fund	<u>54,267,325</u>	<u>53,409,044</u>	<u>54,114,872</u>
	<u>\$ 61,605,113</u>	<u>\$ 60,996,905</u>	<u>\$ 61,838,179</u>

(Continued)

BOROUGH OF GLASSBORO - 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>Liabilities, Reserves and Fund Balance:</u>			
Operating Fund:			
Appropriation Reserves	\$ 1,371,750	\$ 1,096,074	\$ 1,098,856
Encumbrances Payable	339,772	407,088	147,466
Accounts Payable	13,489	8,973	
Utility Rent Overpayments	41,904	28,040	28,133
Accrued Interest on Bonds, Notes and Loans	130,884	127,276	95,437
	<u>1,897,799</u>	<u>1,667,451</u>	<u>1,369,892</u>
Reserve for Receivables	502,538	499,430	567,330
Fund Balance	<u>4,937,452</u>	<u>5,420,980</u>	<u>5,786,084</u>
Total Operating Fund	<u>7,337,789</u>	<u>7,587,861</u>	<u>7,723,306</u>
Capital Fund:			
Serial Bonds Payable	10,887,000	12,442,000	14,132,580
Bond Anticipation Notes	4,775,000	4,775,000	4,120,000
Improvement Authorizations:			
Funded	136,928	185,777	2,526,837
Unfunded	1,863,466	749,771	253,394
Reserve for Encumbrances	250,103	656,909	504,006
Reserve for Amortization	36,253,536	34,500,786	32,508,085
Capital Fund Balance	<u>101,293</u>	<u>98,801</u>	<u>69,971</u>
Total Capital Fund	<u>54,267,325</u>	<u>53,409,044</u>	<u>54,114,872</u>
	<u>\$ 61,605,113</u>	<u>\$ 60,996,905</u>	<u>\$ 61,838,179</u>

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

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

	For the Years Ended December 31,		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	\$ 2,437,998	\$ 2,435,667	\$ 2,077,139
Rents	10,122,147	10,067,960	9,676,161
Meter Purchases	171,870	181,784	62,723
Delinquency Fees	108,258		
Shared Service Agreement - Monroe Township	687,251	651,050	677,705
Miscellaneous Revenue Not Anticipated	950,042	814,273	416,872
Utility Capital Fund Balance	60,348	31,518	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	842,624	748,172	1,120,268
Refund of Prior Year Revenue		4,741	
Accounts Payable Canceled			11,039
Total Income	15,380,538	14,935,166	14,041,907
Expenditures:			
Operating	9,306,753	8,750,314	8,518,332
Capital Improvements	495,000	440,000	305,000
Debt Service	2,111,970	2,177,419	2,097,137
Deferred Charges and Statutory Expenditures	556,346	531,898	500,370
Surplus - General Budget	956,000	956,000	956,000
Accounts Payable Created for Prior Year Bill		8,973	
Total Expenditures	13,426,069	12,864,603	12,376,839
Excess in Revenues	1,954,470	2,070,563	1,665,068
Fund Balance January 1	5,420,980	5,786,084	6,198,154
Sub-Total	7,375,449	7,856,646	7,863,223
Decreased by:			
Utilized as Anticipated Revenue	2,437,998	2,435,667	2,077,139
Fund Balance December 31	\$ 4,937,452	\$ 5,420,980	\$ 5,786,084

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

BOROUGH OF GLASSBORO - PARKING UTILITY OPERATING 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>Assets:</u>			
Operating Fund:			
Cash - Chief Financial Officer	\$ 27,219	\$ 26,815	\$ 26,647
Total Operating Fund	<u>\$ 27,219</u>	<u>\$ 26,815</u>	<u>\$ 26,647</u>
<u>Liabilities, Reserves and Fund Balance:</u>			
Fund Balance	\$ 27,219	\$ 26,815	\$ 26,647
Total Operating Fund	<u>\$ 27,219</u>	<u>\$ 26,815</u>	<u>\$ 26,647</u>

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

BOROUGH OF GLASSBORO
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Glassboro (hereafter referred to as the "Borough") was incorporated in 1920 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2020 census is 18,579. The Borough is 9.2 square miles.

The Borough of Glassboro operates under a Mayor-Council form of government headed by the Mayor who is elected to serve a four-year term. Members of Council are elected to staggered three-year terms with two seats up each year. Executive and legislative responsibility rests with the Borough Council. The Business Administrator, appointed by Mayor and Council, oversees the daily operations of the Borough.

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

In accordance with the "Requirements", the Borough of Glassboro 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 and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer utility.

Parking Utility Operating Fund - The parking utility operating fund accounts for the parking operations undertaken by the Borough.

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes 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 and improvements and contributed capital.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles**Recently Issued 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 Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2023, the Borough's bank balances of \$25,086,755.17 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 24,205,645.19
Uninsured and Uncollateralized	<u>881,109.98</u>
Total	<u>\$ 25,086,755.17</u>

New Jersey Asset and Rebate Management Program (NJ/ARM) - During the year, the Borough participated in the New Jersey Asset & Rebate Management Program. The program was created in 1989 as a joint investment trust under the Interlocal Service Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, general operating funds and for arbitrage rebate compliance for bond and note issue. The program advisory board is made up of New Jersey local government officials and is managed by PFM Asset Management LLC. The Program is designed to be in compliance with New Jersey statutes and regulations for allowable investments. The fund deposits can be liquidated on a daily basis and have an AAA rating by Standard & Poor's. NJ/ARM funds are not subject to custodial risk as defined above. Borough deposits with the fund are considered cash equivalents and at December 31, 2023 the balance was \$1,011,233.54.

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:

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 3.499	\$ 3.464	\$ 3.523	\$ 3.543	\$ 3.549
Apportionment of Tax Rate:					
Municipal	\$ 1.076	\$ 1.040	\$ 1.045	\$ 1.044	\$ 1.049
County	.642	.656	.680	.707	.670
County Library	.044	.045	.047	.049	.048
County Open Space					
Preservation Trust Fund	.040	.039	.042	.043	.041
Local School	1.697	1.684	1.709	1.700	1.741

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 1,337,916,600.00
2022	1,325,217,974.00
2021	1,283,858,451.00
2020	1,263,853,866.00
2019	1,249,614,554.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 47,469,220.52	\$ 46,889,498.77	98.78%
2022	46,078,587.90	45,415,547.07	98.56%
2021	45,538,913.94	44,744,098.82	98.25%
2020	44,832,428.39	44,019,165.51	98.19%
2019	44,422,720.66	43,568,931.49	98.08%

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	\$ 89,378.56	\$ 556,273.81	\$ 645,652.37	1.36%
2022	101,829.54	643,926.50	745,756.04	1.62%
2021	85,756.63	715,302.65	801,059.28	1.76%
2020	95,507.34	730,820.42	826,327.76	1.84%
2019	86,801.46	806,667.61	893,469.07	2.01%

Note 3: PROPERTY TAXES (CONT'D):

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

<u>Year</u>	<u>Number</u>
2023	14
2022	17
2021	25
2020	14
2019	59

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	\$ 4,075,480.00
2022	4,075,480.00
2021	4,075,480.00
2020*	4,158,955.00
2019	5,026,955.00

* restated

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2023	\$ 465,235.72	\$ 7,357.43	\$ 10,111,408.90	\$ 10,584,002.05	\$ 10,122,147.05
2022	552,899.48	12,786.41	9,983,131.04	10,548,816.93	10,067,960.06
2021	469,460.36	13,766.26	9,758,497.27	10,241,723.89	9,672,860.65
2020	293,554.85	9,496.86	9,604,649.06	9,907,700.77	9,419,314.00
2019	346,643.56	14,482.65	9,795,794.89	10,156,921.10	9,844,863.60

Note 6: LEASES RECEIVABLE

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB Statement No. 87, *Leases*:

Cell Tower Leases - The Borough has entered into multiple agreements with various cellular service providers for the use of the Borough's real property for transmitting and receiving wireless communications. The leases commenced between 1999 and 2015 and range between 25 and 30 years. The terms of each agreement include a fixed monthly payment with annual increases.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease receivable is \$892,421.74. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

Buildings - On December 1, 2023, the Borough entered into a five (5) year sub-lease agreement with the Gloucester County Library Commission (the "Library Commission") for office space located at 101 Rowan Boulevard, Glassboro, New Jersey – the new location of the Glassboro branch of the Library Commission. The end of the lease term is November 30, 2028. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 4.00%. Based on the terms of this lease, the annual rent is \$37,996.00 for each of the five years. The Library Commission paid \$189,980.00, for the five-year sub-lease in advance, during the year ended December 31, 2023.

The following is a summary of the leases as of December 31, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	\$ 892,421.74	\$ 53,381.52	\$ 21,333.62
Building		37,996.00	
	<u>\$ 892,421.74</u>	<u>\$ 91,377.52</u>	<u>\$ 21,333.62</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have recognized \$61,506.56 in a reduction of lease receivable and \$21,333.62 in interest revenue related to the leases. In addition, \$91,377.52 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$82,858.23 were reported as revenue in the current fund. The rental payments for the Building in the amount of \$189,980.00 were reported as revenue in the trust fund.

Note 7: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2023	\$ 7,273,459.91	\$ 3,118,500.00	42.88%
2022	5,833,905.57	1,984,500.00	34.02%
2021	5,244,870.76	1,984,500.00	37.84%
2020	4,279,204.52	1,705,500.00	39.86%
2019	4,537,100.60	1,708,000.00	37.65%
<u>Water and Sewer Utility Fund</u>			
2023	\$ 4,937,230.80	\$ 2,395,580.76	48.52%
2022	5,420,979.60	2,437,997.58	44.97%
2021	5,786,083.71	2,435,666.87	42.10%
2020	6,198,154.32	2,077,139.00	33.51%
2019	7,310,663.31	1,614,038.69	22.08%
<u>Parking Utility Fund</u>			
2023	\$ 27,218.94	\$ 25,000.00	91.85%
2022	26,815.05	25,000.00	93.23%
2021	26,647.10	25,000.00	93.82%
2020	26,514.23	25,000.00	94.29%
2019	26,371.03	25,000.00	94.80%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves, and fund balance as of December 31, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 436,401.77	
Federal and State Grant		\$ 436,401.77
Totals	<u>\$ 436,401.77</u>	<u>\$ 436,401.77</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 Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions' reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

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

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

Note 9: 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, disability, and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

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

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 9: 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 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (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 Borough's contractually required contribution rate for the year ended December 31, 2022 was 17.10% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$1,171,153.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$1,122,992.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$521,458.49.

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

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$29,489.00 and is payable by April 1, 2023.

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

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.

Police and Firemen's Retirement System (Police) - The Borough's contractually required contribution rate for the year ended December 31, 2022 was 36.49% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$1,834,505.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$1,535,778.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$506,555.70.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2022 was 7.12% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$357,733.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 was \$235,318.00, which was paid on April 1, 2022.

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

Police and Firemen's Retirement System (Fire) - The Borough's contractually required contribution rate for the year ended December 31, 2022 was 35.41% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$282,911.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$194,130.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$79,889.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2022 was 6.91% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$55,168.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 was \$29,745.00, which was paid on April 1, 2022.

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

For the year ended December 31, 2023, employee contributions totaled \$29,940.07, and the Borough's contributions were \$12,786.00. 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, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Borough's proportionate share of the PERS net pension liability was \$14,015,573.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Borough's proportion was .0928714038%, which was a decrease of .0030193350% from its proportion measured as of June 30, 2021.

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

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$647,934.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PERS was \$1,122,992.00 and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Borough, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$14,911.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System*Police and Firemen's Retirement System (Police)*

Pension Liability - As of December 31, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 16,145,741.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>2,873,469.00</u>
	<u>\$ 19,019,210.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022, measurement date, the Borough's proportion was .14105573000%, which was an increase of .0092818111% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Borough, was .1410557900%, which was an increase of .0092818213% from its proportion, on-behalf of the Borough, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$329,824.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PFRS was \$1,535,778.00, and was paid on April 1, 2022.

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

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2022 measurement date, was \$331,522.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System (Fire)

Pension Liability - As of December 31, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 2,489,940.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>443,136.00</u>
	<u>\$ 2,933,076.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022, measurement date, the Borough's proportion was .0217531300%, which was an increase of .0050962493% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Borough, was .0217530000%, which was an increase of .0050963197% from its proportion, on-behalf of the Borough, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$276,405.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PFRS was \$194,130.00 and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2022 measurement date, was \$51,126.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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

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

	Deferred Outflows of Resources			
	<u>PERS</u>	<u>PFRS - Police</u>	<u>PFRS - Fire</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 101,158.00	\$ 730,799.00	\$ 112,701.00	\$ 944,658.00
Changes of Assumptions	43,425.00	44,249.00	6,824.00	94,498.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	580,092.00	1,478,475.00	228,005.00	2,286,572.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	913,610.00	1,973,269.00	894,050.00	3,780,929.00
Borough Contributions Subsequent to the Measurement Date	585,577.00	917,253.00	141,456.00	1,644,286.00
	<u>\$ 2,223,862.00</u>	<u>\$ 5,144,045.00</u>	<u>\$ 1,383,036.00</u>	<u>\$ 8,750,943.00</u>
	Deferred Inflows of Resources			
	<u>PERS</u>	<u>PFRS - Police</u>	<u>PFRS - Fire</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 89,207.00	\$ 989,146.00	\$ 152,543.00	\$ 1,230,896.00
Changes of Assumptions	2,098,686.00	2,032,430.00	313,434.00	4,444,550.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	460,355.00	-	69,481.00	529,836.00
Borough Contributions Subsequent to the Measurement Date	-	-	-	-
	<u>\$ 2,648,248.00</u>	<u>\$ 3,021,576.00</u>	<u>\$ 535,458.00</u>	<u>\$ 6,205,282.00</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$585,577.00, \$917,253.00, and \$141,456.00 for PERS, PFRS (Police), and PFRS (Fire), respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Borough's year end of December 31, 2022.

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

	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, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS - Police</u>	<u>PFRS - Fire</u>	<u>Total</u>
2023	\$ (903,644.00)	\$ (301,769.00)	\$ 109,713.00	\$ (1,095,700.00)
2024	(440,297.00)	(59,088.00)	151,293.00	(348,092.00)
2025	(220,848.00)	(64,850.00)	26,540.00	(259,158.00)
2026	560,818.00	1,344,952.00	279,804.00	2,185,574.00
2027	(5,992.00)	228,946.00	113,076.00	336,030.00
Thereafter	-	57,025.00	25,696.00	82,721.00
	<u>\$ (1,009,963.00)</u>	<u>\$ 1,205,216.00</u>	<u>\$ 706,122.00</u>	<u>\$ 901,375.00</u>

Actuarial Assumptions

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

	<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 9: 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 18,005,906.00</u>	<u>\$ 14,015,573.00</u>	<u>\$ 10,619,639.00</u>

Note 9: 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 Borough's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the Borough 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:

<u>PFRS Police</u>	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	\$ 22,153,701.00	\$ 16,145,741.00	\$ 11,144,086.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>3,942,709.00</u>	<u>2,873,469.00</u>	<u>1,983,321.00</u>
	<u>\$ 26,096,410.00</u>	<u>\$ 19,019,210.00</u>	<u>\$ 13,127,407.00</u>
 <u>PFRS Fire</u>	 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	\$ 3,416,468.00	\$ 2,489,940.00	\$ 1,718,603.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>608,031.00</u>	<u>443,136.00</u>	<u>305,861.00</u>
	<u>\$ 4,024,499.00</u>	<u>\$ 2,933,076.00</u>	<u>\$ 2,024,464.00</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 9: 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)

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0928714038%	0.0958907388%	0.0917105353%	0.0896929294%	0.0874577447%
Proportionate Share of the Net Pension Liability	\$ 14,015,573.00	\$ 11,359,696.00	\$ 14,955,590.00	\$ 16,161,305.00	\$ 17,219,994.00
Covered Payroll (Plan Measurement Period)	\$ 6,937,464.00	\$ 7,104,848.00	\$ 6,652,028.00	\$ 6,229,144.00	\$ 6,116,640.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	202.03%	159.89%	224.83%	259.45%	281.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0854916680%	0.0834315530%	0.0815050690%	0.0815341775%	0.0777714512%
Proportionate Share of the Net Pension Liability	\$ 19,901,094.00	\$ 24,710,033.00	\$ 18,296,255.00	\$ 15,265,428.00	\$ 14,863,670.00
Covered Payroll (Plan Measurement Period)	\$ 5,914,572.00	\$ 5,688,968.00	\$ 5,663,784.00	\$ 5,571,784.00	\$ 5,292,428.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.48%	434.35%	323.04%	273.98%	280.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,171,153.00	\$ 1,122,992.00	\$ 1,003,267.00	\$ 872,448.00	\$ 869,922.00
Contribution in Relation to the Contractually Required Contribution	(1,171,153.00)	(1,122,992.00)	(1,003,267.00)	(872,448.00)	(869,922.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,847,184.00	\$ 6,911,247.00	\$ 7,105,212.00	\$ 6,724,965.00	\$ 6,379,201.00
Contributions as a Percentage of Covered Payroll	17.10%	16.25%	14.12%	12.97%	13.64%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 791,989.00	\$ 741,194.00	\$ 700,725.00	\$ 672,156.00	\$ 585,992.00
Contribution in Relation to the Contractually Required Contribution	(791,989.00)	(741,194.00)	(700,725.00)	(672,156.00)	(585,992.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 6,090,614.00	\$ 5,915,192.00	\$ 5,791,439.00	\$ 5,697,534.00	\$ 5,592,099.00
Contributions as a Percentage of Covered Payroll	13.00%	12.53%	12.10%	11.80%	10.48%

Note 9: 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 Police) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.1415573000%	0.1317739189%	0.1272029247%	0.1225018335%	0.1217854291%
Proportionate Share of the Net Pension Liability	\$ 16,145,741.00	\$ 9,631,556.00	\$ 16,436,296.00	\$ 14,991,552.00	\$ 16,479,576.00
State's Proportionate Share of the Net Pension Liability	2,873,469.00	2,708,873.00	2,550,838.00	2,367,195.00	2,238,478.00
Total	<u>\$ 19,019,210.00</u>	<u>\$ 12,340,429.00</u>	<u>\$ 18,987,134.00</u>	<u>\$ 17,358,747.00</u>	<u>\$ 18,718,054.00</u>
Covered Payroll (Plan Measurement Period)	\$ 5,026,592.00	\$ 4,619,352.00	\$ 4,296,624.00	\$ 4,161,924.00	\$ 4,087,080.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	208.50%	382.54%	360.21%	403.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.1193797700%	0.1249448401%	0.1212753862%	0.1341262191%	0.1340701530%
Proportionate Share of the Net Pension Liability	\$ 18,429,929.00	\$ 23,867,661.00	\$ 20,200,252.00	\$ 16,871,834.00	\$ 17,823,417.00
State's Proportionate Share of the Net Pension Liability	2,064,307.00	2,004,292.00	1,771,494.00	1,816,813.00	1,661,359.00
Total	<u>\$ 20,494,236.00</u>	<u>\$ 25,871,953.00</u>	<u>\$ 21,971,746.00</u>	<u>\$ 18,688,647.00</u>	<u>\$ 19,484,776.00</u>
Covered Payroll (Plan Measurement Period)	\$ 3,864,288.00	\$ 3,993,544.00	\$ 3,879,376.00	\$ 4,202,064.00	\$ 4,175,168.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	520.71%	401.51%	426.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS Police) (Last Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,834,505.00	\$ 1,535,778.00	\$ 1,421,074.00	\$ 1,237,404.00	\$ 1,190,632.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,834,505.00)</u>	<u>(1,535,778.00)</u>	<u>(1,421,074.00)</u>	<u>(1,237,404.00)</u>	<u>(1,190,632.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 5,026,902.00	\$ 5,083,073.00	\$ 4,681,787.00	\$ 4,360,339.00	\$ 4,219,488.00
Contributions as a Percentage of Covered Payroll	36.49%	30.21%	30.35%	28.38%	28.22%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,056,533.00	\$ 1,018,726.00	\$ 985,788.00	\$ 1,030,182.00	\$ 978,146.00
Contribution in Relation to the Contractually Required Contribution	<u>(1,056,533.00)</u>	<u>(1,018,726.00)</u>	<u>(985,788.00)</u>	<u>(1,030,182.00)</u>	<u>(978,146.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 4,089,420.00	\$ 3,944,568.00	\$ 4,043,411.00	\$ 3,970,750.00	\$ 4,167,419.00
Contributions as a Percentage of Covered Payroll	25.84%	25.83%	24.38%	25.94%	23.47%

Note 9: 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 Fire) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0217531300%	0.0166568807%	0.0161830215%	0.0169613200%	0.0116586008%
Proportionate Share of the Net Pension Liability	\$ 2,489,940.00	\$ 1,217,477.00	\$ 2,091,060.00	\$ 2,076,652.00	\$ 1,577,601.00
State's Proportionate Share of the Net Pension Liability	443,136.00	342,415.00	324,523.00	327,907.00	214,291.00
Total	<u>\$ 2,933,076.00</u>	<u>\$ 1,559,892.00</u>	<u>\$ 2,415,583.00</u>	<u>\$ 2,404,559.00</u>	<u>\$ 1,791,892.00</u>
Covered Payroll (Plan Measurement Period)	\$ 775,184.00	\$ 583,908.00	\$ 558,396.00	\$ 520,740.00	\$ 386,776.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	208.50%	374.48%	398.79%	407.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0120565847%	0.0082256422%	0.0081511879%	0.0085514445%	0.0084374832%
Proportionate Share of the Net Pension Liability	\$ 1,861,304.00	\$ 1,571,308.00	\$ 1,357,704.00	\$ 1,075,692.00	\$ 1,121,687.00
State's Proportionate Share of the Net Pension Liability	208,482.00	131,951.00	119,066.00	115,834.00	104,555.00
Total	<u>\$ 2,069,786.00</u>	<u>\$ 1,703,259.00</u>	<u>\$ 1,476,770.00</u>	<u>\$ 1,191,526.00</u>	<u>\$ 1,226,242.00</u>
Covered Payroll (Plan Measurement Period)	\$ 390,268.00	\$ 262,908.00	\$ 242,532.00	\$ 270,096.00	\$ 264,796.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	559.80%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS Fire) (Last Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 282,911.00	\$ 194,130.00	\$ 180,792.00	\$ 171,407.00	\$ 113,980.00
Contribution in Relation to the Contractually Required Contribution	(282,911.00)	(194,130.00)	(180,792.00)	(171,407.00)	(113,980.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 798,891.00	\$ 753,140.00	\$ 594,474.00	\$ 570,898.00	\$ 529,085.00
Contributions as a Percentage of Covered Payroll	35.41%	25.78%	30.41%	30.02%	21.54%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 106,703.00	\$ 67,067.00	\$ 66,257.00	\$ 65,681.00	\$ 61,558.00
Contribution in Relation to the Contractually Required Contribution	(106,703.00)	(67,067.00)	(66,257.00)	(65,681.00)	(61,558.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 395,540.00	\$ 380,768.00	\$ 301,892.00	\$ 246,782.00	\$ 269,700.00
Contributions as a Percentage of Covered Payroll	26.98%	17.61%	21.95%	26.61%	22.82%

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

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

Changes in Assumptions

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

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

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

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

None.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	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%
2018	6.51%			2018	7.00%		

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below

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

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

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

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

The Borough was billed monthly by the Plan and paid \$1,452,221.24, for the year ended December 31, 2022, representing 12.23% of the Borough's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$84,595.44 to the Plan.

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

OPEB Liability - At December 31, 2022, the Borough's proportionate share of the net OPEB liability was \$41,949,059.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Borough's proportion was .259753%, which was a decrease of .004143% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$745,019.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough made contributions to the Plan totaling \$1,452,221.24.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 2,166,294.00	\$ 7,775,572.00
Changes of Assumptions	5,598,276.00	14,316,405.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	11,043.00	-
Changes in Proportion	3,759,955.00	1,980,412.00
Contributions Subsequent to the Measurement Date	<u>718,634.26</u>	<u>-</u>
	<u>\$ 12,254,202.26</u>	<u>\$ 24,072,389.00</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$718,634.26 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2023. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			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	-
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

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:

<u>Year Ending Dec. 31,</u>	
2023	\$ (3,454,307.00)
2024	(3,457,663.00)
2025	(2,467,284.00)
2026	(1,010,757.00)
2027	98,759.00
Thereafter	<u>(2,245,569.00)</u>
	<u><u>\$ (12,536,821.00)</u></u>

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

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, 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) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. 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 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate Share of the Net OPEB Liability	<u>\$ 48,627,404.00</u>	<u>\$ 41,949,059.00</u>	<u>\$ 36,575,705.00</u>

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	<u>\$ 35,586,650.00</u>	<u>\$ 41,949,059.00</u>	<u>\$ 50,097,514.00</u>

OPEB Plan Fiduciary Net Position

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

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

Schedule of the Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	Measurement Date Ended June 30,		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.259753%	0.263896%	0.263917%
Proportionate Share of the Net OPEB Liability	\$ 41,949,059.00	\$ 47,500,703.00	\$ 47,364,162.00
Covered Payroll (Plan Measurement Period)	\$ 11,907,441.00	\$ 11,916,805.00	\$ 11,477,249.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	352.29%	398.60%	412.68%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.242329%	0.249123%	0.240191%
Proportionate Share of the Net OPEB Liability	\$ 32,826,059.00	\$ 39,029,149.00	\$ 49,036,887.00
Covered Payroll (Plan Measurement Period)	\$ 10,851,241.00	\$ 10,318,634.00	\$ 10,057,829.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	302.51%	378.24%	487.55%
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 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 1,452,221.24	\$ 1,225,203.13	\$ 1,110,504.51
Actual Contributions in Relation to the Required Contribution	<u>(1,452,221.24)</u>	<u>(1,225,203.13)</u>	<u>(1,110,504.51)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 11,874,086.00	\$ 11,994,320.00	\$ 11,786,999.00
Contributions as a Percentage of Covered Payroll	12.23%	10.21%	9.42%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 1,074,473.08	\$ 1,722,106.60	\$ 1,717,058.48
Actual Contributions in Relation to the Required Contribution	<u>(1,074,473.08)</u>	<u>(1,722,106.60)</u>	<u>(1,717,058.48)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 11,085,304.00	\$ 10,598,689.00	\$ 10,180,034.00
Contributions as a Percentage of Covered Payroll	9.69%	16.25%	16.87%

Other Notes to Supplementary OPEB Information

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information (Cont'd)**

Changes in Assumptions (Cont'd) - In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 11: COMPENSATED ABSENCES

Borough employees are granted vacation benefits in varying amounts depending on their length of service with the Borough. All employees are granted five sick days per year. The Borough does not permit employees to accrue unused vacation pay. The Borough has entered into duly negotiated and approved labor agreements with various unions in regard to accumulated absence benefits.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, 31, 2023, accrued benefits for compensated absences are valued at \$841,124.70.

Note 12: FINANCED PURCHASE OBLIGATIONS

The Borough has entered into the following agreements which meet the requirements of GASB Statement No. 87, *Leases*.

Vehicles - As of December 31, 2023, the Borough is financing seventeen (17) police vehicles with a total cost of \$860,281.80 and total monthly payments of \$14,338.03. The agreements are each for a term of five (5) years with an interest rate of 2.125%. The final maturity of the financed purchases is November 30, 2028.

The following is an analysis of the financed purchase obligation liability:

<u>Description</u>	<u>Balance</u> <u>December 31, 2023</u>
Vehicles	\$ 561,022.49

Note 12: FINANCED PURCHASE OBLIGATIONS (CONT'D)

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	\$ 168,476.24	\$ 3,580.12	\$ 172,056.36
2025	164,435.31	3,494.25	167,929.56
2026	129,258.81	2,746.75	132,005.56
2027	70,594.78	1,500.14	72,094.92
2028	<u>28,257.35</u>	<u>600.47</u>	<u>28,857.82</u>
Total	<u>\$ 561,022.49</u>	<u>\$ 11,921.73</u>	<u>\$ 572,944.22</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have reported assets in the amount of \$860,281.80 and a financed purchase obligation in the amount of \$561,022.49. In addition, for the year ended December 31, 2023, the Borough would have recognized a reduction of the financed purchase obligation of \$140,218.89 and interest expense of \$2,979.65.

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 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$159,390.59 was 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 13: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 14: LEASE LIABILITY AND LEASE ASSET

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

Buildings - On December 26, 2023, the Borough entered into a five (5) year lease agreement for office space located at 101 Rowan Boulevard, Glassboro, New Jersey. The end of the lease term is December 31, 2028. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 1.75%. Based on the terms of this lease, the annual rent is \$37,996.00 for each of the five years. The Borough paid \$189,980.00, for the five year lease in advance, during the year ended December 31, 2023 from the trust fund.

Under the provisions of GASB 87, as of December 31, 2023, there is no lease liability since the five year lease agreement was prepaid, and the related right to use leased assets have a balance of \$189,980.00. The leases are summarized as follows:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2023</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>
Building	\$ -	\$ 189,980.00

As a result of the regulatory basis of accounting previously described in note 1, the Borough has not reported a lease liability or right to use leased assets.

Note 15: CAPITAL DEBT**General Capital Improvement Bonds**

\$9,814,000.00 General Improvement Bonds dated January 16, 2014, payable in annual installments through January 15, 2023. Interest is paid semi-annually at a rate of 4% per annum.

\$7,307,000.00 General Improvement Bonds dated March 19, 2014, payable in annual installments through March 1, 2023. Interest is paid semi-annually at a rate of 3% per annum.

\$3,190,000.00 General Improvement Refunding Bonds dated December 30, 2014, payable in annual installments through December 1, 2028. Interest is paid semi-annually at rates of 3% to 5% per annum.

\$3,035,000.00 General Improvement Refunding Bonds dated June 1, 2016, payable in annual installments through February 1, 2025. Interest is paid semi-annually at rates of 2% to 3% per annum.

\$11,195,000.00 General Improvement Bonds dated November 19, 2019, payable in annual installments through November 15, 2031. Interest is paid semi-annually at rates of 2% to 2.25% per annum.

\$13,595,000.00 Taxable General Improvement Refunding Bonds dated March 11, 2021, payable in annual installments through January 15, 2039. Interest is paid semi-annually at rates of 0.266% to 2.772% per annum.

Water and Sewer Utility Capital Improvement Bonds

\$3,470,000.00 Water and Sewer Utility Refunding Bonds dated December 30, 2014, payable in annual installments through December 1, 2028. Interest is paid semi-annually at rates of 3% to 5% per annum.

\$1,850,000.00 Water and Sewer Utility Refunding Bonds dated June 1, 2016, payable in annual installments through February 1, 2025. Interest is paid semi-annually at rates of 2% to 3% per annum.

\$10,022,000.00 Water and Sewer Utility Bonds dated December 21, 2017, payable in annual installments through December 1, 2032. Interest is paid semi-annually at the rate of 2% to 3% per annum.

\$2,935,000.00 Water and Sewer Utility Bonds date November 19, 2019, payable in annual installments through November 15, 2029. Interest is paid semi-annually at the rate of 2% to 2.125% per annum.

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

<u>Year</u>	<u>General</u>		<u>Water and Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 2,515,000.00	\$ 479,467.46	\$ 1,627,000.00	\$ 315,885.00	\$ 4,937,352.46
2025	2,500,000.00	434,090.01	1,650,000.00	267,843.76	4,851,933.77
2026	1,970,000.00	392,591.05	1,365,000.00	222,000.00	3,949,591.05
2027	1,980,000.00	353,420.13	1,365,000.00	178,950.00	3,877,370.13
2028	2,000,000.00	315,085.26	1,360,000.00	140,800.00	3,815,885.26
2029-2033	7,410,000.00	1,004,525.51	3,520,000.00	246,800.00	12,181,325.51
2034-2038	4,210,000.00	379,321.35			4,589,321.35
2039	810,000.00	11,226.60			821,226.60
	<u>\$23,395,000.00</u>	<u>\$ 3,369,727.37</u>	<u>\$ 10,887,000.00</u>	<u>\$ 1,372,278.76</u>	<u>\$ 39,024,006.13</u>

Note 15: CAPITAL DEBT (CONT'D)**General Debt – Demolition Loan Payable**

On January 5, 2017, the Borough entered into a loan agreement with the Glassboro Housing Authority to provide \$1,499,000.00, at no interest related to the Redevelopment Plan.

The following schedule represents the remaining debt service, through maturity, for the Demolition Loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 74,950.00		\$ 74,950.00
2025	74,950.00		74,950.00
2026	74,950.00		74,950.00
2027	74,950.00		74,950.00
2028	74,950.00		74,950.00
2029-2033	374,750.00		374,750.00
2034-2037	299,800.00		299,800.00
Totals	<u>\$ 1,049,300.00</u>	<u>\$ -</u>	<u>\$ 1,049,300.00</u>

Note 15: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough'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, Notes and Loans	\$ 28,424,375.00	\$ 30,979,325.00	\$ 32,524,844.90
Water and Sewer Utility:			
Bonds	<u>15,662,000.00</u>	<u>17,217,000.00</u>	<u>18,252,580.11</u>
Total Issued	<u>44,086,375.00</u>	<u>48,196,325.00</u>	<u>50,777,425.01</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	3,607,150.00	1,852,500.00	1,128,850.00
Water and Sewer Utility:			
Notes	<u>1,475,000.00</u>		<u>655,000.00</u>
Total Authorized but not Issued	<u>5,082,150.00</u>	<u>1,852,500.00</u>	<u>1,783,850.00</u>
Total Issued and Authorized but not Issued	<u>49,168,525.00</u>	<u>50,048,825.00</u>	<u>52,561,275.01</u>
<u>Deductions</u>			
General:			
Funds Temporarily Held to Pay Bonds	74,950.00	74,950.00	74,950.00
Water and Sewer Utility:			
Self-Liquidating	<u>17,137,000.00</u>	<u>17,217,000.00</u>	<u>18,907,580.11</u>
Total Deductions	<u>17,211,950.00</u>	<u>17,291,950.00</u>	<u>18,982,530.11</u>
Net Debt	<u>\$ 31,956,575.00</u>	<u>\$ 32,756,875.00</u>	<u>\$ 33,578,744.90</u>

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 2.019%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 15,687,000.00	\$ 15,687,000.00	
Self-Liquidating	17,137,000.00	17,137,000.00	
General	<u>32,031,525.00</u>	<u>74,950.00</u>	<u>\$ 31,956,575.00</u>
	<u>\$ 64,855,525.00</u>	<u>\$ 32,898,950.00</u>	<u>\$ 31,956,575.00</u>

Net debt \$31,956,575.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,583,036,491.33, equals 2.019%.

Note 15: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	55,406,277.20
Less: Net Debt		<u>31,956,575.00</u>
Remaining Borrowing Power	\$	<u><u>23,449,702.20</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	14,537,914.64
Deductions:			
Operating and Maintenance Costs	\$	9,863,099.00	
Debt Service		<u>2,112,190.66</u>	
Total Deductions			<u>11,975,289.66</u>
Excess in Revenue	\$		<u><u>2,562,624.98</u></u>

Note 16: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State.

The following is a summary of the activity and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 23,627.09	\$ 3,285.25	\$ 22,910.29	\$ 218,071.89
2022	22,822.20	1,443.01	27,194.63	214,069.84
2021	21,074.62	1,057.12	25,868.94	216,999.26

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

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Cyber Liability

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

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

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

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

Note 16: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund (Cont'd) - For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem and Cumberland
Counties Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
P.O. Box 490
Marlton, New Jersey 08053

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

Note 19: TAX ABATEMENTS

The Borough entered into long-term tax abatement agreements (in excess of 5-year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long term tax exemption for the LRHL designated areas.

The statutes were utilized by the Borough to attract redevelopers. Additionally, in many, but not all of the agreements, the Borough retained ownership of the land and charged a ground lease that mitigated the impact of the tax abatement.

Note 19: TAX ABATEMENTS (CONT'D)

For the year ended December 31, 2023, the Borough abated property taxes totaling \$9,629,518.04, offset by ground leases in the amount of \$4,541,657.43, for a net effective tax abatement of \$5,087,860.61. The following agreements were in effect as of December 31, 2023, under the provisions of the aforementioned statutes:

- A 3.98% net effective abatement to a developer for construction and operation of an 884 bed student housing facility. The net effective abatement amounted to \$40,384.00.
- A 41.96% net effective abatement to a developer for construction and operation of a three-bay, six and one-half level, approximately 1,194 space parking garage. The net effective abatement amounted to \$155,582.09.
- A 42.74% effective abatement (no ground lease) to a developer for construction and operation of a 129 Room Courtyard by Marriott Hotel and Conference Area. The abatement amounted to \$246,590.60.
- A 33.79% net effective abatement to a developer for construction and operation of a mixed use building consisting of a 280 bed student housing facility with administrative housing/office space for Rowan University's honors program and retail space. The net effective abatement amounted to \$275,959.13.
- A 35.99% net effective abatement to a developer for construction and operation of a five-story building including classrooms, office space, and a 57.59% net effective abatement for the retail space. The net effective abatement amounted to \$218,964.70.
- A 63.33% net effective abatement to a developer for construction and operation mixed use building consisting of 119 student apartments, 59 market rate apartments, medical office space, and retail space. The net effective abatement amounted to \$1,373,812.36.
- A 9.50% net effective abatement to a developer for construction and operation of a bookstore. The net effective abatement amounted to \$14,591.11.
- A 63.18% net effective abatement to a developer for construction and operation of a building including housing and classrooms, a 66.31% net effective abatement for the retail space, and an 82.76% net effective abatement for the parking garage. The net effective abatement amounted to \$1,753,669.36.
- A 48.83% net effective abatement to a developer for construction and operation of a mixed use building consisting of 120 student apartments and 20 market rate apartments, and a 48.83% net effective abatement for the retail space. The net effective abatement amounted to \$765,227.53.
- A 74.00% net effective abatement to a developer for construction and operation of 125 Unit Apartments. The net effective abatement amounted to \$243,079.73.

The Borough entered into tax abatement agreements under the provisions of NJSA 40A:21-1 et seq. "The Five Year Exemption and Abatement Law." For the year ended December 31, 2023, property taxes abated by the Borough under this law totaled \$701,944.46, made up of the following agreements:

<u>Business Name</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Camelot	Housing	various	\$ 500,202.03
Summit Square	Housing	various	6,988.25
High Street Estates	Housing	60%	184,905.59
Bonesaw	Commercial Brewery	20%	9,848.59

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Capital Improvements:		
Acquisition of various pieces of capital equipment and completion of various capital improvements	04/09/24	\$ 1,869,600.00
Water and Sewer Capital Improvements:		
Various water and sewer improvements	04/09/24	3,995,000.00

APPENDIX C

FORM OF BOND COUNSEL OPINION



May __, 2025

Mayor and Borough Council
of the Borough of Glassboro
1 South Main Street
Glassboro, New Jersey

**RE: \$19,429,000 BOROUGH OF GLASSBORO, COUNTY OF GLOUCESTER,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2025**

Mayor and Borough Council Members:

We have served as Bond Counsel to the Borough of Glassboro, County of Gloucester, New Jersey ("Borough") in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds"). The Bonds consist of: (i) \$9,322,000 General Improvement Bonds; and (ii) \$10,107,000 Water/Sewer Utility Bonds.

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Borough Council and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Borough Council on April 8, 2025 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on May __, 2025 ("Award Certificate").

The Bonds are dated their date of delivery, mature on April 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semi-annually on April 1 and October 1, commencing April 1, 2026, in each year until maturity or earlier redemption.

General				General			
Improvement		Water/Sewer		Improvement		Water/Sewer	
Bonds		Utility Bonds		Bonds		Utility Bonds	
Year			Principal	Interest	Year		Principal
			Amount	Rate			Amount
2026	\$477,000	\$277,000	\$754,000	%	2036	\$950,000	\$1,500,000
2027	550,000	315,000	865,000		2037	950,000	1,500,000
2028	550,000	340,000	890,000		2038	0	550,000
2029	675,000	375,000	1,050,000		2039	0	550,000
2030	675,000	550,000	1,225,000		2040	0	550,000
2031	695,000	550,000	1,245,000		2041	0	550,000
2032	950,000	550,000	1,500,000		2042	0	550,000
2033	950,000	550,000	1,500,000		2043	0	550,000
2034	950,000	550,000	1,500,000		2044	0	550,000
2035	950,000	550,000	1,500,000		2045	0	550,000



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

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

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

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

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

1. The Bonds are legal, valid and binding obligations of the Borough 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 Bonds, the Borough has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Borough without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

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



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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Borough has *not* designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.



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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of May, 2025, between the Borough of Glassboro, County of Gloucester, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Bonds, Series 2025, in the principal amount of \$_____ ("Bonds"). The Bonds consist of: (i) \$_____ principal amount of General Improvement Bonds; and (ii) \$_____ principal amount of Water/Sewer Utility Bonds.

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

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

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

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

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

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Official Statement" shall mean the Official Statement of the Borough, dated May __, 2025, relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough (commencing for the fiscal year ending December 31, 2024). Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Borough's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Borough may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Borough are included in the Annual Report; and (ii) certain financial information and operating data of the Borough consisting of Borough indebtedness, property

valuation information, and tax rate, levy and collection data. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

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

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

(b) The Borough shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borough may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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

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

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

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

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

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made

and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Borough:

Borough of Glassboro
1 South Main Street
Glassboro, New Jersey 08028
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors
2000 Waterview Drive, Suite 101
Hamilton, New Jersey 08691
Attention: Bryan Morris, Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

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

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

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

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

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

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

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BOROUGH OF GLASSBORO, NEW JERSEY

By: _____
KARYN PACCIONE, Chief Financial Officer

**PHOENIX ADVISORS,
as Dissemination Agent**

By: _____
BRYAN MORRIS, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

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

Name of Bond Issues Affected: General Obligation Bonds, Series 2025

Date of Issuance of the Affected
Bond Issue: May __, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated May __, 2025, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

PHOENIX ADVISORS,
as Dissemination Agent

cc: Borough of Glassboro, New Jersey