

OFFICIAL STATEMENT DATED MAY 21, 2025**NEW ISSUE****RATING: NOT RATED**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the City (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("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 Notes and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$9,678,000
CITY OF BURLINGTON
County of Burlington, New Jersey
BOND ANTICIPATION NOTES OF 2025, SERIES A
Consisting of:
\$4,440,500 General Improvement Notes
\$1,909,900 Water Utility Notes
\$3,327,600 Sewer Utility Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

COUPON: 4.25% YIELD: 3.17% CUSIP*: 121565FF7

Dated: Date of Delivery**Due: June 4, 2026**

The \$9,678,000 Bond Anticipation Notes of 2025, Series A ("Notes"), are general obligations of the City of Burlington, County of Burlington, New Jersey ("City"), payable from *ad valorem* taxes levied upon all the taxable property within the City without limitation as to rate or amount, as more fully described herein. The Notes consist of: (i) \$4,440,500 principal amount of General Improvement Notes; (ii) \$1,909,900 principal amount of Water Utility Notes; and (iii) \$3,327,600 principal amount of Sewer Utility Notes.

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

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

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 01-2012; 02-2012; 03-2014; 01-2015; 03-2016; 03-2017; 05-2017; 01-2018; 03-2018; 02-2019; 01-2020; 02-2020; 04-2020; 01-2022; 02-2022; 03-2022; 04-2022; 06-2022, as amended by 28-2024; 01-2023; 01-2024; 02-2024; 03-2024; 05-2024; and 06-2024, each duly and finally adopted by the City Common Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on May 21, 2025.

The Notes are being issued by the City to provide funds which will be used to: (i) currently refund the City's outstanding Bond Anticipation Notes of 2024, Series A, maturing on June 6, 2025; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

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

The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the City, and certain other conditions described herein. Certain legal matters will be passed upon for the City by its Solicitor, Stuart A. Platt, Esquire of the law firm of The Platt Law Group, Stratford, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey has served as Municipal Advisor to the City in connection with the issuance of the Notes. The Notes are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about June 5, 2025.

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

CITY OF BURLINGTON
County of Burlington, New Jersey

Elected Officials

Barry W. Conaway, Mayor
George Chachis, Councilperson
Geneva Rijs, Councilperson
Dawn Bergner-Thompson, Councilperson
Timothy Hutton, Councilperson
Suzanne Woodard, Councilperson
David H. Ballard, Councilperson
Richard Spaulding, Councilperson

Business Administrator

Johanna Conyer

Chief Financial Officer

Tara Krueger

City Clerk

Cindy A. Crivaro

City Attorney

Stuart A. Platt, Esquire
The Platt Law Group
Stratford, New Jersey

City Accountant

Bowman & Company LLP
Voorhees, New Jersey

City Auditor

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

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

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

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

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

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

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

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OFFICIAL STATEMENT
Relating to
\$9,678,000
CITY OF BURLINGTON
County of Burlington, New Jersey
BOND ANTICIPATION NOTES OF 2025, SERIES A
Consisting of:
\$4,440,500 General Improvement Notes
\$1,909,900 Water Utility Notes
\$3,327,600 Sewer Utility Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the City of Burlington in the County of Burlington, New Jersey ("City"), in connection with the sale and the issuance of its \$9,678,000 Bond Anticipation Notes of 2025, Series A ("Notes"). The Notes consist of: (i) \$4,440,500 principal amount of General Improvement Notes; (ii) \$1,909,900 principal amount of Water Utility Notes; and (iii) \$3,327,600 principal amount of Sewer Utility Notes. This Official Statement has been executed by and on behalf of the City by the Chief Financial Officer and may be distributed in connection with the sale of the Notes.

THE NOTES

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

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

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

& Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (“Local Bond Law”); (ii) bond ordinances 01-2012; 02-2012; 03-2014; 01-2015; 03-2016; 03-2017; 05-2017; 01-2018; 03-2018; 02-2019; 01-2020; 02-2020; 04-2020; 01-2022; 02-2022; 03-2022; 04-2022; 06-2022, as amended by 28-2024; 01-2023; 01-2024; 02-2024; 03-2024; 05-2024; and 06-2024 (collectively, the “Bond Ordinances”), each duly and finally adopted by the City Common Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on May 21, 2025.

The Notes are being issued by the City to provide funds which will be used to: (i) currently refund the City's outstanding Bond Anticipation Notes of 2024, Series A, maturing on June 6, 2025; (ii) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes. The following table sets forth certain information with respect to the Bond Ordinances authorizing the Notes.

General Improvement

Ordinance Number	Purpose/ Improvement	Bonds or Notes Authorized	Notes Outstanding	Available Amount	Notes to be Issued
01-2012	Construction of Various Capital Improvements and Acquisition of Various Capital Equipment;	\$855,000	\$35,700	\$0	\$35,700
02-2012	Street Reconstruction	380,000	140,000	0	186,000
01-2015	Various Road Improvements	60,000	12,500	0	12,500
03-2016	Acquisition of Various Capital Equipment; Completion of Various Capital Improvements	622,200	50,400	0	70,400
03-2017	Acquisition of Various Capital Equipment; Completion of Various Capital Improvements	578,550	31,000	0	31,000
01-2018	Various Road Improvements	95,000	8,000	0	8,000
03-2018	Acquisition of Various Capital Equipment; Completion of Various Capital Improvements	915,325	340,000	0	340,000
02-2019	Reconstruction/Repaving of Various Roads	74,000	5,000	0	5,000
01-2020	Reconstruction/Repaving of Various Roads	118,750	8,700	0	8,700
02-2020	Acquisition of Various Capital Equipment; Completion of Various Capital Improvements	95,000	0	0	5,000

Ordinance Number	Purpose/ Improvement	Bonds or Notes Authorized	Notes Outstanding	Available Amount	Notes to be Issued
04-2020	Various Repairs to City Sidewalks and Promenade Bulkhead	\$175,000	\$50,000	\$0	\$50,000
01-2022	Various Road Improvements	57,000	57,000	0	57,000
03-2022	Parking Lot Improvements	75,000	75,000	0	75,000
06-2022, amended by 28-2024	Supplemental Funding for Construction of Bandstand	1,425,000	0	0	1,425,000
01-2023	Acquisition of Various Capital Equipment; Completion of Various Capital Improvements	924,700	924,700	0	924,700
02-2024	Acquisition of Vehicles and Equipment	828,400	0	0	828,400
03-2024	Various Road Improvements	378,100	0	0	378,100
Total		\$7,657,025	\$1,738,000	\$0	\$4,440,500

Water Utility

Ordinance Number	Purpose/ Improvement	Bonds or Notes Authorized	Notes Outstanding	Available Amount	Notes to be Issued
03-2014	Various Improvements to Walnut Street Water Tower and Water Plant	\$905,000	\$132,000	\$0	\$178,000
05-2017	Water Utility System Improvements	3,600,000	0	0	28,000
04-2022	Water Tower and Related Improvements	2,030,000*	60,000	0	60,000
01-2023	Water Utility System Improvements and Equipment	419,000	419,000	0	419,000
01-2024	Water Utility System Improvements and Equipment	285,000	0	0	285,000
05-2024	Water Utility System Improvements and Equipment	1,929,925	0	0	939,900
Total		\$9,168,925	\$611,000	\$0	\$1,909,900

* Remaining authorization to be financed through New Jersey Infrastructure Bank.

Sewer Utility

Ordinance Number	Purpose/ Improvement	Bonds or Notes Authorized	Notes Outstanding	Available Amount	Notes to be Issued
02-2022	Drainage Line Replacement	\$450,000	\$450,000	\$0	\$450,000
01-2023	Sewer Utility Improvements and Equipment	419,000	419,000	0	419,000
01-2024	Sewer Utility Improvements and Equipment	926,250	0	0	926,250
06-2024	Sewer Utility Improvements and Equipment	1,532,350	0	0	1,532,350
Total		\$3,327,600	\$869,000	\$0	\$3,327,600

BOOK-ENTRY ONLY SYSTEM

General

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the City. Accordingly, the City does not make any representations concerning these matters.

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

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

Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Discontinuation of Book-Entry Only System

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

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

SECURITY AND SOURCE OF PAYMENT

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

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

MARKET PROTECTION

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

GENERAL INFORMATION REGARDING THE CITY

General

The City is located in the County of Burlington, New Jersey (“County”). General information concerning the City, including economic, financial, demographic and other relevant data, is set forth in Appendix “A” to this Official Statement.

Financial

Appendix “B” to this Official Statement contains (1) unaudited financial statements of the City for the year ended December 31, 2024 prepared by Bowman & Company LLP, and (2) audited financial statements of the City for the years ended December 31, 2023 and 2022 prepared by Mercadien, P.C. Hamilton, New Jersey (“Auditor”). The Auditor only takes responsibility for the audited financial statements which are included herein in with their consent. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the City.

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

Local Bond Law

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

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

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

Exceptions to Debt Limits - Extensions of Credit – The City may exceed its debt limit with the approval of the State Department of Community Affairs, Division of Local Government Services, Local

Finance Board (“Local Finance Board”), a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the City may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the City or substantially reduce the ability of the City to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

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

Local Fiscal Affairs Law

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

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

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

The Local Budget Law

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

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

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

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

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

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, N.J.S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by

taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Bonds

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 76.12%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete reassessment of property within the City was in 2011, effective for the 2012 tax year.

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

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

Tax Appeals

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

LITIGATION

To the knowledge of the City's Solicitor, Stuart A. Platt, Esquire of the law firm of The Platt Law Group ("Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the City or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the City if adversely decided.

NO RATING

The City will not obtain a credit rating related to the issuance of the Notes.

TAX MATTERS

Federal

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

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

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

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

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

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

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

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

CONTINUING DISCLOSURE

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

The City has previously entered into secondary market disclosure undertakings in accordance with the Rule with respect to its own obligations and obligations of the Burlington County Bridge Commission for which the City is an obligated person. The City 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.

NO DEFAULT

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

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the City received \$1,031,822.61 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.

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

Cyber Security

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

Climate Change

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

UNDERWRITING

The Notes have been purchased from the City at a public sale by Piper Sandler & Co., Minneapolis, Minnesota (“Underwriter”) at a price of \$9,774,876.78 (“Purchase Price”). The Purchase Price reflects the principal amount of the Notes plus a bid premium of \$96,876.78.

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

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the City in connection with the issuance of the Notes (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Notes. 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 Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth in Appendix “C” hereto. Certain legal matters will be passed on for the City by the Solicitor.

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

The various legal opinions to be delivered concurrently with the delivery of the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties

to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

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

PREPARATION OF OFFICIAL STATEMENT

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

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

Bowman & Company LLP compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. Bowman & Company LLP, Voorhees, New Jersey, only takes responsibility for the compiled financial statements, appearing in Appendix "B" hereto.

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

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 City and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Tara Krueger, Chief Financial Officer, City of Burlington, at 609-386-0200, or to the City's Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey at 609-291-0130.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement

nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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

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

CITY OF BURLINGTON, NEW JERSEY

By: /s/ Tara Krueger
TARA KRUEGER, Chief Financial Officer

Dated: May 21, 2025

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE CITY OF BURLINGTON

GENERAL INFORMATION ON THE CITY (1)

The following material presents certain economic and demographic information of the City of Burlington ("City"), County of Burlington ("County"), State of New Jersey ("State").

General

The City, founded in 1677, is a New Jersey municipal corporation located on the Delaware River in Southern Western New Jersey, approximately 17 miles North of the City of Philadelphia and 17 miles South of Trenton. The population of the City according to the 2020 census is 9,743.

The City provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning, health and welfare and general administrative services.

The City is under a Mayor-Council Plan form of government. The Mayor and seven Council members are elected at large to four-year terms. The City Administrator is responsible for the daily operations of the City and reports to the Council during their monthly meetings.

Retirement Systems

All full-time permanent or qualified City employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury ("Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The City is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information (2)

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

Labor Contracts

Type of Employee	Union	<u>Contract Expiration</u>
Police	Fraternal Order of Police Lodge #63	Dec. 31, 2025
Police Officers	Superior Officers Association FOP Lodge #63	Dec. 31, 2025
Supervisory Workers	Communications Workers of America (Supervisory)	Dec. 31, 2023 *
Non-supervisory Workers	Communications Workers of America (Non-supervisory)	Dec. 31, 2023 *
Traffic Control Officers	Communications Workers of America (Local 1036)	Dec. 31, 2025

(1) Source: The City, unless otherwise indicated.

(2) Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

* Currently in Negotiations

Population (1)

	<u>City Population</u>	<u>County Population</u>
2020 Federal Census	9,743	461,860
2010 Federal Census	9,920	448,734
2000 Federal Census	9,736	423,394
1990 Federal Census	9,835	395,066
1980 Federal Census	10,246	362,542

Selected Census 2023 Data for the City (1)

Median household income	\$78,009
Per capita income	\$37,628

Labor Force (2)

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
City				
2024	5,029	4,697	332	6.6%
2023	5,714	5,378	336	5.9
2022	5,547	5,284	263	4.7
2021	5,444	5,036	408	7.5
2020	5,437	4,867	570	10.5
County				
2024	248,122	237,708	10,414	4.2%
2023	252,255	242,294	9,961	3.9
2022	246,708	238,085	8,623	3.5
2021	240,563	226,911	13,652	5.7
2020	238,216	219,308	18,908	7.9
State				
2024	4,898,008	4,676,064	221,944	4.5%
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

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

(2) Source: New Jersey Department of Labor.

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2025 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
PSE&G Fosssil, LLC & PSE&G Power, LLC	Natural Gas Plant	\$ 17,000,000	2.79%
CUE BURL TIC1 & CUE BURL TIC II & TIC3	Residential Apartments	10,750,000	1.77%
Burlington Manor Apartments	Residential Apartments	6,150,000	1.01%
Canon Business Solutions	Office Supplies and Services	4,728,800	0.78%
Mother's Kitchen	Restaurant	3,495,000	0.57%
SPS Holdings, LLC	Commercial/Residential Properties	3,423,100	0.56%
ESP Group LLC	Wawa Store	3,210,000	0.52%
Walgreens Eastern Company, LLC	Drug Store	3,000,000	0.49%
302 CSB, LLC	Residential Apartments	2,835,000	0.46%
Veterans Drive BSD, LLC	Commercial Office Space	2,670,000	0.43%

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2024 (3)	\$ 26,291,807	\$ 25,337,227	96.36%	\$ 859,856	3.27%
2023	25,761,716	24,868,377	96.53%	765,304	2.97%
2022	25,440,488	24,482,345	96.23%	833,788	3.28%
2021	24,939,449	23,878,269	95.74%	911,317	3.65%
2020	24,198,897	23,083,298	95.39%	937,178	3.87%

DELINQUENT TAXES (2)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2024 (3)	\$ 765,304	\$ 3,854	\$ 762,519	99.14%	\$ 553	\$ 6,086	\$ -
2023	839,141	250	838,560	99.90%	-	831	-
2022	921,254	2,000	910,150	98.58%	2,353	5,398	5,353
2021	947,419	2,036	939,518	98.95%	-	-	9,937
2020	1,029,823	3,336	1,008,510	97.61%	12,032	2,375	10,242

(1) Source: City Tax Assessor

(2) Source: Annual Reports of Audit, unless otherwise indicated

(3) Source: Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Sales and</u> <u>Transfers</u>	<u>Special</u> <u>Assessments</u>	<u>Other</u> <u>Charges</u>	<u>Collected/</u> <u>Canceled</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2) \$	847,582	\$ 163,553	\$ -	\$ -	\$ 148,510	\$ 862,625
2023	1,289,899	124,328	-	-	566,645	847,582
2022	1,098,724	105,516	89,000	117	3,458	1,289,899
2021	1,048,639	137,821	2,481	2,318	92,535	1,098,724
2020	936,039	181,984	2,020	1,083	72,487	1,048,639

FORECLOSED PROPERTY (1) (3)

<u>Year</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2)	\$ 1,428,950
2023	1,428,950
2022	1,428,950
2021	1,428,950
2020	1,428,950

WATER UTILITY TAX COLLECTIONS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Levy</u>	<u>Collected</u>	<u>Transfers/</u> <u>Other Credits</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2) \$	540,934	\$ 2,361,775	\$ 2,483,126	\$ 3,544	\$ 416,039
2023	445,591	2,553,729	2,454,244	4,142	540,934
2022	704,561	2,399,643	2,627,045	31,568	445,591
2021	422,370	2,459,186	2,176,995	-	704,561
2020	353,549	2,143,434	2,069,339	5,274	422,370

SEWER UTILITY TAX COLLECTIONS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Levy</u>	<u>Collected</u>	<u>Transfers/</u> <u>Other Credits</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2) \$	285,479	\$ 3,239,300	\$ 3,223,341	\$ 4,777	\$ 296,661
2023	241,980	2,886,721	2,839,223	3,999	285,479
2022	310,265	2,800,694	2,863,722	5,257	241,980
2021	341,388	2,861,525	2,887,753	4,895	310,265
2020	231,859	2,886,673	2,767,734	9,410	341,388

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Source: Information from Annual Compiled Financial Statement

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total Rate</u>	<u>County (3)</u>	<u>County Open Space</u>	<u>Local School</u>	<u>Municipal</u>
2024	\$ 606,439,609	\$ 4.330	\$ 0.419	\$ 0.046	\$ 2.337	\$ 1.528
2023	604,339,780	4.254	0.417	0.032	2.316	1.489
2022	603,693,392	4.207	0.384	0.028	2.306	1.489
2021	599,089,494	4.146	0.381	0.020	2.312	1.433
2020	604,814,492	3.998	0.408	0.022	2.185	1.383

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (5)</u>
2024	\$ 606,439,533	76.12%	\$ 796,688,824	\$ 81,770
2023	604,339,700	79.55%	759,697,926	77,974
2022	603,693,300	91.94%	656,616,598	67,394
2021	599,089,400	93.69%	639,437,934	65,630
2020	604,814,400	92.18%	656,123,237	67,343

REAL PROPERTY CLASSIFICATION (6)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2024	\$ 606,439,533	\$ 15,294,700	\$ 442,475,300	\$ 109,264,400	\$ 14,814,400	\$ 24,590,733	\$ -
2023	604,339,700	15,215,500	442,155,900	107,785,000	14,814,400	24,368,900	-
2022	603,693,300	14,602,700	441,069,000	108,498,300	15,154,400	24,368,900	-
2021	599,089,400	13,789,800	440,101,600	105,595,300	15,154,400	24,448,300	-
2020	604,814,400	13,720,400	440,306,100	106,185,200	20,154,400	24,448,300	-

(1) Source: City's Tax Collector

(2) Per \$100 of Assessed Valuation

(3) Includes Library Tax

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

(5) Based on Federal Census 2020 of 9,743

(6) Source: City Tax Assessor

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

The following table summarizes the direct debt of the City as of December 31, 2024, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued, and debt authorized but not issued, including General, Water Utility, Sewer Utility and debt of the School District. Deductions from gross debt to arrive at net debt include deductible school district debt, as well as, debt considered to be self-liquidating. The resulting net debt of \$13,115,387 represents 1.604% of the average of equalized valuations for the City for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions		Net Debt
	Bonds/Loans	Notes			School District	Self Liquidating	
General	\$ 6,075,000	\$1,738,000	\$ 5,302,387	\$ 13,115,387			\$ 13,115,387
Water Utility	4,500,663	611,000	2,504,412	7,616,075		\$ 7,616,075	
Sewer Utility	2,116,496	869,000	2,509,309	5,494,805		5,494,805	
School District	190,000			190,000	\$ 190,000		
	<u>\$ 12,882,159</u>	<u>\$3,218,000</u>	<u>\$10,316,109</u>	<u>\$ 26,416,267</u>	<u>\$ 190,000</u>	<u>\$ 13,110,880</u>	<u>\$ 13,115,387</u>

(1) As of December 31, 2024

DEBT RATIOS AND VALUATIONS (1) (2)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$	817,659,394
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024		1.60%
2024 Net Valuation Taxable	\$	606,439,609
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	796,688,900
Gross Debt (3)		
As a Percentage of 2024 Net Valuation Taxable		4.36%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		3.32%
Net Debt (3)		
As a Percentage of 2024 Net Valuation Taxable		2.16%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.65%
Gross Debt per Capita (4)	\$	2,711
Net Debt per Capita (4)	\$	1,346

CITY BORROWING CAPACITY (1) (2)

3.5% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$817,659,394)	\$	28,618,079
Net Debt		<u>(13,115,387)</u>
Remaining Borrowing Capacity	\$	<u><u>15,502,691</u></u>

SCHOOL DISTRICT BORROWING CAPACITY (1) (2)

4.0% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$817,659,394)	\$	32,706,376
School District Debt		<u>(190,000)</u>
Remaining Borrowing Capacity	\$	<u><u>32,516,376</u></u>

(1) As of December 31, 2024

(2) Source: City Auditor

(3) Excluding Overlapping Debt

(4) Based on 2020 Federal Census of 9,743

**CITY OF BURLINGTON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024**

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	Debt Auth. but not <u>Issued</u>
County of Burlington:					
General					
Bonds	\$ 129,015,000	\$ 17,421,051 (1)	\$ 111,593,949	\$ 1,388,692 (2)	
Notes				(2)	\$ 58,025,107
Loans	3,457,864		3,457,864	43,030 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	361,231,900	361,231,900 (3)			
Solid Waste Utility	22,565,000	22,565,000			37,394,130
	<u>\$ 516,269,764</u>	<u>\$ 401,217,951</u>	<u>\$ 115,051,813</u>	<u>\$ 1,431,722</u>	<u>\$ 95,419,237</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
- (2) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuations on which County taxes are apportioned, which is 1.24%.
- (3) Deductible in accordance with N.J.S. 40:37A-80.

**CITY OF BURLINGTON
SCHEDULE OF DEBT SERVICE(1)**

Year	General Capital			Water Utility			Sewer Utility			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 670,000	\$ 211,194	\$ 881,194	\$ 112,468	\$ 21,057	\$ 133,526	\$ 592,237	\$ 54,365	\$ 646,602	\$ 1,661,321
2026	680,000	189,131	869,131	117,468	17,230	134,699	454,928	35,940	490,868	1,494,698
2027	685,000	166,694	851,694	122,468	13,134	135,602	273,924	17,740	291,664	1,278,960
2028	695,000	143,350	838,350	62,468	9,605	72,074	31,924	9,200	41,124	951,548
2029	705,000	118,444	823,444	62,468	6,699	69,168	31,924	9,000	40,924	933,536
2030	290,000	99,800	389,800	22,468	4,806	27,275	36,924	8,800	45,724	462,799
2031	295,000	88,100	383,100	22,468	4,122	26,591	36,924	8,400	45,324	455,015
2032	315,000	75,900	390,900	22,468	3,661	26,129	36,924	8,000	44,924	461,953
2033	325,000	63,100	388,100	22,468	3,220	25,689	36,924	7,600	44,524	458,313
2034	335,000	49,900	384,900	22,468	2,797	25,266	36,924	7,200	44,124	454,290
2035	345,000	36,300	381,300	27,468	2,389	29,857	36,924	6,800	43,724	454,882
2036	360,000	22,200	382,200	27,468	1,842	29,310	36,924	6,400	43,324	454,835
2037	375,000	7,500	382,500	27,468	1,530	28,998	36,924	6,000	42,924	454,422
2038				27,468	1,050	28,518	36,924	5,600	42,524	71,043
2039				27,468	600	28,068	36,924	5,200	42,124	70,193
2040				27,469	300	27,769	36,924	4,800	41,724	69,493
2041							36,924	4,400	41,324	41,324
2042							36,924	4,000	40,924	40,924
2043							41,924	3,600	45,524	45,524
2044							41,924	3,000	44,924	44,924
2045							41,924	2,400	44,324	44,324
2046							41,924	1,800	43,724	43,724
2047							41,924	1,200	43,124	43,124
2048							41,925	600	42,525	42,525
	<u>\$ 6,075,000</u>	<u>\$ 1,271,613</u>	<u>\$ 7,346,613</u>	<u>\$ 754,496</u>	<u>* \$ 94,044</u>	<u>\$ 848,539</u>	<u>\$ 2,116,496</u>	<u>\$ 222,045</u>	<u>\$ 2,338,541</u>	<u>\$ 10,533,693</u>

(1) As of December 31, 2024

* Excluding interim NJIB Loans in the amount of \$3,746,167.

**CITY OF BURLINGTON
2025 MUNICIPAL BUDGET(1)**

CURRENT FUND	
Anticipated Revenues:	
Fund Balance	\$ 4,581,000
Miscellaneous Revenues:	
Local Revenues	1,172,000
State Aid without Offsetting Appropriations	5,477,729
Dedicated Uniform Construction Code Fees Offset with Appropriations	175,000
Public and Private Programs Offset with Appropriations	726,673
Other Special Items of Revenue	60,000
Receipts from Delinquent Taxes	592,598
Amount to be Raised by Taxation for Municipal Purposes	9,421,000
	<u> </u>
Total Anticipated Revenues	<u><u>\$ 22,206,000</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 16,428,000
Deferred Charges and Statutory Expenditures	2,063,410
Excluded from CAPS:	
Other Operations	82,000
Public and Private Programs	904,590
Capital Improvements	175,000
Debt Service	942,000
Deferred Charges	15,000
Reserve for Uncollected Taxes	1,596,000
	<u> </u>
Total Appropriations	<u><u>\$ 22,206,000</u></u>
WATER UTILITY FUND	
Anticipated Revenues:	
Fund Balance	\$ 729,000
Rents	2,275,000
Fire Hydrant Service	40,000
Miscellaneous	100,000
	<u> </u>
Total Revenues	<u><u>\$ 3,144,000</u></u>
Appropriations:	
Operating Balance	\$ 2,757,400
Capital Improvement Fund	75,000
Debt Service	188,000
Statutory Expenditures	123,600
	<u> </u>
Total Appropriations	<u><u>\$ 3,144,000</u></u>
SEWER UTILITY FUND	
Anticipated Revenues:	
Fund Balance	\$ 592,000
Rents	3,160,000
Miscellaneous	40,000
	<u> </u>
Total Revenues	<u><u>\$ 3,792,000</u></u>
Appropriations:	
Operating Balance	\$ 2,855,400
Capital Improvement Fund	80,000
Debt Service	713,000
Statutory Expenditures	143,600
	<u> </u>
Total Appropriations	<u><u>\$ 3,792,000</u></u>

**CITY OF BURLINGTON
CAPITAL BUDGET
PROJECTS SCHEDULED FOR THE YEARS 2025 - 2027 (1)**

	Estimated	Capital	Bonds and Notes	
	Total Cost	Improvement		Self-
		Fund	General	Liquidating
General Improvements:				
Acquisition of Vehicles and Equipment	\$ 2,686,000	\$ 134,300	\$ 2,551,700	
Road and Drainage Improvements	1,499,000	74,950	1,424,050	
Improvements to Municipal Facilities	2,674,000	133,700	2,540,300	
Construction of Bandshell	1,228,000	61,400	1,166,600	
Water Utility:				
Misc. System and Facility Improvements	1,000,000	50,000		\$ 950,000
Volumetric Chemical Feeder	84,000	4,200		79,800
Pumps #2, #3, #4	204,750	10,238		194,513
Repair Chemical Room Floor	183,750	9,188		174,563
HVAC Improvements	52,500	2,625		49,875
Acquisition of Vehicles and Equipment	200,000	10,000		190,000
Sewer Utility:				
Misc. System and Facility Improvements	4,413,950	220,698		4,193,253
Acquisition of Vehicles and Equipment	369,050	18,453		350,598
Totals--All Projects	<u>\$ 14,595,000</u>	<u>\$ 729,750</u>	<u>\$ 7,682,650</u>	<u>\$ 6,182,600</u>

(1) Adopted

APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF BURLINGTON

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, New Jersey 08016

Management is responsible for the accompanying financial statements of the City of Burlington, 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 are not independent with respect to the City of Burlington.

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 City'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/ Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 26, 2025

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

Assets

Regular Fund:	
Cash	\$ 10,752,891.22
Due from/to State - Veterans and Senior Citizens	
Receivables with Full Reserves:	
Delinquent Taxes Receivable	859,855.52
Tax Title Liens Receivable	862,625.27
Property Acquired for Taxes (at Assessed Valuation)	1,428,950.00
Life Loans Receivable	4,250.00
Mortgage Receivable	314,284.92
Revenue Accounts Receivable	13,294.26
Interfunds Receivable	300,033.60
Deferred Charges	75,000.00
	<hr/>
Total Regular Fund	14,611,184.79
	<hr/>
Federal and State Grant Fund:	
Cash	534,695.04
Grants Receivable	4,702,970.23
Interfunds Receivable	860.70
	<hr/>
Total Federal and State Grant Fund	5,238,525.97
	<hr/>
	<u><u>\$ 19,849,710.76</u></u>

Liabilities, Reserves, and Fund Balance

Regular Fund:	
Liabilities:	
Appropriation Reserves	\$ 2,101,945.85
Reserve for Encumbrances	382,203.86
Accounts Payable	36,364.95
Tax Overpayments	8,819.17
Prepaid Taxes	254,384.24
Due to State of NJ	11,004.00
Due from/to State - Veterans and Senior Citizens	121,991.08
County Taxes Payable	3,540.84
Reserve Special Emergency - Tax Map	74,745.00
Reserve for Low Income Household Water Asst Program	15,471.92
Interfunds Payable	1,143.09
	<hr/>
Total Liabilities	3,011,614.00
	<hr/>
Reserve for Receivables	3,783,293.57
Fund Balance	7,816,277.22
	<hr/>
Total Regular Fund	14,611,184.79
	<hr/>
Federal and State Grant Fund:	
Federal and State Funds:	
Unappropriated	47,976.01
Appropriated	3,978,882.79
Encumbrances Payable	1,211,667.17
	<hr/>
Total Federal and State Grant Fund	5,238,525.97
	<hr/>
	<u><u>\$ 19,849,710.76</u></u>

See Accountant's Compilation Report and selected notes.

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

Revenue Realized:

Current Tax Collections	\$ 25,337,227.10
Delinquent Tax and Tax Title Liens Collections	911,029.56
Miscellaneous Revenue Anticipated	10,089,500.44
Non Budget Revenue	1,592,112.77
Other Credits to Income	1,981,534.62
Fund Balance Utilized	<u>3,846,000.00</u>

Total Income	<u>43,757,404.49</u>
--------------	----------------------

Expenditures:

Operations	20,763,215.77
Capital Improvements	75,000.00
Debt Service	910,703.58
Deferred Charges	20,482.35
Local School Tax	14,171,315.00
County Tax	2,826,304.97
Other Expenditures	<u>355,569.14</u>

Total Expenditures	<u>39,122,590.81</u>
--------------------	----------------------

Excess in Revenue	4,634,813.68
-------------------	--------------

Adjustments to Income before Fund Balance:

Expenditures included above which are by Statute Deferred Charges to the Budget of the Succeeding Year	<u>75,000.00</u>
---	------------------

Regulatory Excess in Fund Balance	4,709,813.68
-----------------------------------	--------------

Fund Balance, January 1	<u>6,952,463.54</u>
-------------------------	---------------------

11,662,277.22

Decreased by:

Utilized as Revenue	<u>3,846,000.00</u>
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Fund Balance, December 31	<u><u>\$ 7,816,277.22</u></u>
---------------------------	-------------------------------

See Accountant's Compilation Report and selected notes.

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

Assets

Animal Control Fund:	
Cash	\$ 3,861.88
Total Animal Control Fund	<u>3,861.88</u>
Assessment Trust Fund:	
Cash	<u>819.40</u>
Total Assessment Trust Fund	<u>819.40</u>
Other Funds:	
Cash	3,995,663.55
Forgiveable NSP Mortgage Receivable	68,442.00
Loan Receivable: UDAG - Economic Development Ordinance	<u>17,512.68</u>
Total Other Funds	<u>4,081,618.23</u>
	<u><u>\$ 4,086,299.51</u></u>

Liabilities, and Reserves

Animal Control Fund:	
Interfunds Payable	\$ 1,518.08
Reserve for Animal Control Trust Fund	<u>2,343.80</u>
Total Animal Control Fund	<u>3,861.88</u>
Assessment Trust Fund:	
Interfunds Payable	0.70
Reserve for Fund Balance	<u>818.70</u>
Total Assessment Trust Fund	<u>819.40</u>
Other Funds:	
Interfunds Payable	353,951.02
Reserve for Forgiveable NSP Mortgage Receivable	68,442.00
Reserve for Title I UDGA Loans Receivable	17,512.68
Community Development Act of 1974	465,620.99
Miscellaneous Trust Fund Liabilities and Reserves	<u>3,176,091.54</u>
Total Other Funds	<u>4,081,618.23</u>
	<u><u>\$ 4,086,299.51</u></u>

See Accountant's Compilation Report and selected notes.

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

Assets

Cash	\$ 338,021.38
Due from Burlington County	430,000.00
Due from State of New Jersey	347,557.66
Deferred Charges to Future Taxation:	
Funded	6,075,000.00
Unfunded	7,040,387.31
	<hr/>
	\$ 14,230,966.35
	<hr/>

Liabilities, Reserves, and Fund Balance

Bonds Payable	\$ 6,075,000.00
Bond Anticipation Notes	1,738,000.00
Interfunds Payable	323.53
Improvement Authorizations:	
Funded	453,197.15
Unfunded	5,405,415.16
Encumbrances Payable	498,941.60
Capital Improvement Fund	36,018.10
Fund Balance	24,070.81
	<hr/>
	\$ 14,230,966.35
	<hr/>

See Accountant's Compilation Report and selected notes.

CITY OF BURLINGTON
WATER UTILITY FUND
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis
As of December 31, 2024

<u>Assets</u>	
Operating Fund:	
Cash	\$ 2,278,678.07
Interfunds Receivable	30,819.27
Receivables Offset with Reserves:	
Consumer Accounts Receivable	416,039.49
Liens Receivable	45,472.21
Total Operating Fund	<u>2,771,009.04</u>
Capital Fund:	
Cash	\$ 377,194.30
Due from NJ Infrastructure Bank	2,048,366.00
Fixed Capital	14,652,551.75
Fixed Capital Authorized and Uncompleted	8,896,500.00
Total Capital Fund	<u>25,974,612.05</u>
	<u><u>\$ 28,745,621.09</u></u>
<u>Liabilities, Reserves, and Fund Balance</u>	
Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 199,179.43
Reserve for Encumbrances	186,284.50
Accrued Interest on Bonds and Notes	15,513.86
Water Rents Overpayments	19,121.27
Total Liabilities	<u>420,099.06</u>
Reserve for Consumer Accounts and Lien Receivable	461,511.70
Fund Balance	<u>1,889,398.28</u>
Total Operating Fund	<u>2,771,009.04</u>
Capital Fund:	
Improvement Authorizations:	
Funded	75,015.00
Unfunded	2,207,821.13
Interfunds Payable	358.84
Reserve for Encumbrances	2,625,792.76
Reserve for Amortization	14,557,488.73
Reserve for Deferred Amortization	1,375,488.03
Bond Anticipation Notes	611,000.00
Serial Bonds	370,000.00
Loans Payable	4,130,662.87
Capital Improvement Fund	15,434.17
Fund Balance	<u>5,550.52</u>
Total Capital Fund	<u>25,974,612.05</u>
	<u><u>\$ 28,745,621.09</u></u>

See Accountant's Compilation Report and selected notes.

CITY OF BURLINGTON
WATER UTILITY FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue Realized:

Surplus Utilized	\$ 683,000.00
Water Rents	2,495,127.90
Fire Hydrant Service	40,000.00
Water Miscellaneous	153,533.60
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	254,723.23
Water Rents Overpayments Canceled	<u>24.36</u>
Total Income	<u>3,626,409.09</u>

Expenditures:

Operations	2,528,800.00
Capital Improvements	125,000.00
Debt Service	146,585.94
Deferred Charges and Statutory Expenditures	<u>125,200.00</u>
Total Expenditures	<u>2,925,585.94</u>

Excess in Revenue	700,823.15
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Fund Balance, January 1	<u>1,871,575.13</u>
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2,572,398.28

Decreased by:

Utilized as Revenue	<u>683,000.00</u>
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Fund Balance, December 31	<u><u>\$ 1,889,398.28</u></u>
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See Accountant's Compilation Report and selected notes.

CITY OF BURLINGTON
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis
As of December 31, 2024

<u>Assets</u>	
Operating Fund:	
Cash	\$ 1,470,472.23
Interfunds Receivable	25,853.26
Receivables Offset with Reserves:	
Consumer Accounts Receivable	296,660.56
Liens Receivable	26,187.13
Total Operating Fund	<u>1,819,173.18</u>
Capital Fund:	
Cash	305,116.12
Fixed Capital	26,402,455.78
Fixed Capital Authorized and Uncompleted	3,868,000.00
Total Capital Fund	<u>30,575,571.90</u>
	<u><u>\$ 32,394,745.08</u></u>
<u>Liabilities, Reserves, and Fund Balance</u>	
Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 349,988.66
Reserve for Encumbrances	267,972.72
Accrued Interest on Bonds and Notes	33,015.68
Sewer Rents Overpayments	17,865.97
Total Liabilities	668,843.03
Reserve for Consumer Accounts and Lien Receivable	322,847.69
Fund Balance	827,482.46
Total Operating Fund	<u>1,819,173.18</u>
Capital Fund:	
Improvement Authorizations:	
Funded	68,150.00
Unfunded	2,185,083.40
Interfunds Payable	269.92
Reserve for Encumbrances	457,591.80
Reserve for Amortization	24,330,959.95
Reserve for Deferred Amortization	444,690.89
Reserve for Mitchell Avenue Pump Station	5,000.00
Bond Anticipation Notes	869,000.00
Serial Bonds	365,000.00
Loans Payable	1,751,495.83
Capital Improvement Fund	96,147.31
Fund Balance	2,182.80
Total Capital Fund	<u>30,575,571.90</u>
	<u><u>\$ 32,394,745.08</u></u>

See Accountant's Compilation Report and selected notes.

CITY OF BURLINGTON
SEWER UTILITY FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024

Revenue Realized:

Surplus Utilized	\$ 595,000.00
Sewer Rents	3,234,878.30
Sewer Miscellaneous	47,681.96
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>276,065.12</u>
Total Income	<u>4,153,625.38</u>

Expenditures:

Operations	2,833,200.00
Debt Service	675,501.66
Deferred Charges and Statutory Expenditures	<u>160,800.00</u>

Total Expenditures	<u>3,669,501.66</u>
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Excess in Revenue	484,123.72
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Fund Balance, January 1	<u>938,358.74</u>
-------------------------	-------------------

	1,422,482.46
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Decreased by:

Utilized as Revenue	<u>595,000.00</u>
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Fund Balance, December 31	<u><u>\$ 827,482.46</u></u>
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See Accountant's Compilation Report and selected notes.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Burlington (the “City”), founded in 1677, is a New Jersey municipal corporation located on the Delaware River in Southern Western New Jersey, approximately 17 miles north of the City of Philadelphia and 17 miles south of Trenton. The population of the City according to the 2020 census is approximately 9,743. The City provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning, health and welfare, and general administrative services.

The City is under a Mayor-Council Plan form of government. The Mayor and seven Council members are elected at large to four-year terms. The City Administrator is responsible for the daily operations of the City and reports to the Council during their monthly meetings.

Component Units

The City had no component units as defined by Governmental Accounting Standards Board (“GASB”) Statement No. 14, as amended by GASB Statements No. 39 and 61 defining a component unit.

Descriptions of Funds

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

In accordance with the Requirements, the City accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund – The Current Fund accounts for resources and expenditures for government 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 - Receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Descriptions of Funds (Continued)

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

General Fixed Assets Account Group – Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from Generally Accepted Accounting Principles (“GAAP”) applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City’s Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State Grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City’s budget. Federal and State Grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Pension and Other Post-Employment Benefits (“OPEB”) Expenses - are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance. GAAP requires all related pension and OPEB accounting to be recognized on an accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

Deferred Charges - the regulatory basis of accounting utilized by the City requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences, Pensions and Other Post-employment 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, pension and post-employment expenses are recorded on a cash basis as billed by the State. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets at its market value.

Sale of Municipal Assets - cash proceeds from the sale of the City-owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

CITY OF BURLINGTON

COUNTY OF BURLINGTON, STATE OF NEW JERSEY

Selected Information – Substantially All Disclosures Required

By the Regulatory Basis of Accounting Have Been Omitted

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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 balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheets until utilized and expended.

General Fixed Assets - in accordance with the Technical Accounting Directive No. 85-2, *Accounting for Governmental Fixed Assets*, as promulgated by the Division, which differs in certain respects from GAAP, the City has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

All fixed assets are valued at reported acquisition costs or estimated acquisition cost if actual historical cost is not available.

No depreciation has been provided for the financial statements, which follows Requirements and the City's basis of accounting. GAAP requires recognition of straight line depreciation over the estimated useful lives of fixed assets.

Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

Utility Fixed Assets - accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. GAAP requires recognition of straight line depreciation over the estimated useful lives of fixed assets.

Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 10 days after the above due dates. The City bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

Financial Statements

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

Budget and Budgetary Accounting

The City is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Not later than February 10 of the budget year the City introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held at least 28 days after introduction; after a public hearing the budget may be adopted by the governing body.

Once a budget is approved, it may be amended after November 1 by a resolution adopted by the governing body.

FOR THE YEARS ENDED 2023 AND 2022

AUDITED FINANCIAL STATEMENTS

**CITY OF BURLINGTON
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

FINANCIAL STATEMENTS

December 31, 2023

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Burlington
County of Burlington
Burlington, New Jersey 08016

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the City of Burlington, County of Burlington, State of New Jersey (the “City”), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the City’s basic financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective regulatory basis financial position of the City as of December 31, 2023, and the respective changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note A.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

Auditors' 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 auditors' report that includes our opinion. 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 GAAS and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

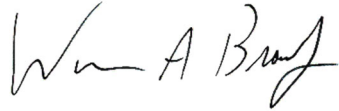
- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Summarized Comparative Information

We have previously audited the City's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 25, 2023, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

Mercadieu, P.C.
Certified Public Accountants

October 9, 2024

BASIC FINANCIAL STATEMENTS

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

	2023	2022
ASSETS		
Regular Fund:		
Cash -- Treasurer	\$ 10,822,273.69	\$ 9,359,053.83
Cash -- Collector	518,222.27	640,666.07
Cash -- Change Fund	750.00	750.00
	<u>11,341,245.96</u>	<u>10,000,469.90</u>
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	765,304.00	839,141.12
Tax Title Liens Receivable	847,582.41	1,289,899.24
Property Acquired for Taxes--Assessed Valuation	1,428,950.00	1,428,950.00
Life Loans Receivable	4,250.00	4,250.00
Mortgages Receivable - High Street	314,284.92	314,284.92
Revenue Accounts Receivable	196,929.85	58,631.20
Due from Animal Control Fund	1,062.66	959.20
Due from Trust Assessment Fund	1.04	1,732.10
	<u>3,558,364.88</u>	<u>3,937,847.78</u>
Deferred Charges:		
Emergency Authorization (40A:4-53)	20,482.35	-
Total Regular Fund	<u>14,920,093.19</u>	<u>13,938,317.68</u>
Federal and State Grant Fund:		
Cash	1,044,422.80	927,452.64
Federal, State and Other Grants Receivable	2,641,335.82	2,432,574.07
Due from Current Fund	12,425.67	-
Total Federal and State Grant Fund	<u>3,698,184.29</u>	<u>3,360,026.71</u>
Total Assets	<u>\$ 18,618,277.48</u>	<u>\$ 17,298,344.39</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriations Reserves	\$2,466,840.98	\$ 1,712,063.16
Reserve for Encumbrances	548,850.06	325,139.44
Due State of New Jersey -- Senior Citizens' & Veterans' Deductions	121,876.01	121,667.10
Accounts Payable	73,870.83	26,934.75
Tax Overpayments	2,681.67	-
Prepaid Taxes	228,613.41	240,252.48
Due County for Added and Omitted Taxes	5,576.66	4,214.58
Due State of New Jersey -- Marriage License Fees	3,452.00	2,977.00
Due State of New Jersey -- Domestic Partnership Fees	75.00	75.00
Due State of New Jersey -- Burial Permit Fees	145.00	145.00
Due State of New Jersey -- Training Fees	6,277.00	-
Reserve for Municipal Relief Fund	564,625.29	282,372.48
Reserve for Low Income Household Water Assistance Program	23,251.16	-
Due to Federal and State Grant Fund	12,425.67	-
Due to Trust Other Funds	118,620.83	-
Due to General Capital Fund	232,083.20	-
	<u>4,409,264.77</u>	<u>2,715,840.99</u>
Reserves for Receivables and Other Assets	3,558,364.88	3,937,847.78
Fund Balance	<u>6,952,463.54</u>	<u>7,284,628.91</u>
Total Regular Fund	<u>14,920,093.19</u>	<u>13,938,317.68</u>
Federal and State Grant Fund:		
Reserve for Federal, State and Other Grants Appropriated	3,403,224.37	2,921,402.58
Reserve for Encumbrances	292,291.79	434,296.17
Reserve for Federal and State Grants Unappropriated	<u>2,668.13</u>	<u>4,327.96</u>
Total Federal and State Grant Fund	<u>3,698,184.29</u>	<u>3,360,026.71</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 18,618,277.48</u>	<u>\$ 17,298,344.39</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2023 and 2022

	2023	2022
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 3,955,000.00	\$ 3,680,000.00
Miscellaneous Revenue Anticipated	7,776,248.22	8,128,758.33
Receipts from Delinquent Taxes	925,922.77	913,607.68
Receipts from Current Taxes	24,868,377.11	24,482,344.57
Non-Budget Revenue	1,359,286.93	1,349,620.16
Other Credits to Income:		
Tax Overpayments Cancelled	3,091.97	-
Statutory Excess in Reserve for Dog Fund Expenditures	1,056.60	959.20
Accounts Payable Canceled		
Interfunds Returned	-	48,717.26
Unexpended Balance of Appropriation Reserves	1,116,311.34	1,060,479.42
Total Income	<u>40,005,294.94</u>	<u>39,664,486.62</u>
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	7,697,000.00	7,363,461.63
Other Expenses	7,673,610.00	7,156,703.32
Deferred Charges and Statutory Expenditures Within "CAPS"	1,799,755.35	1,811,762.00
Operations Excluded from "CAPS":		
Other Expenses	1,462,459.04	1,535,378.70
Capital Improvements--Excluded from "CAPS"	100,000.00	361,945.00
Municipal Debt Service--Excluded from "CAPS"	954,435.00	1,298,736.27
Deferred Charges--Municipal--Excluded from "CAPS"	-	70,731.74
County Taxes	2,712,935.61	2,483,151.15
County's Share of Added and Omitted Taxes	5,576.66	4,214.58
Local District School Tax	13,994,863.50	13,922,463.00
Refund of Prior Year Revenue - Accounts Payable	1,953.00	-
Creation of Interfunds and Other Assets	104.50	959.20
Prior Year Senior Citizens' Deduction Disallowed	250.00	2,000.00
Total Expenditures	<u>36,402,942.66</u>	<u>36,011,506.59</u>
Excess in Revenue	3,602,352.28	3,652,980.03
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	20,482.35	-
Statutory Excess to Fund Balance	<u>3,622,834.63</u>	<u>3,652,980.03</u>
<u>Fund Balance:</u>		
Balance January 1	7,284,628.91	7,311,648.88
	<u>10,907,463.54</u>	<u>10,964,628.91</u>
Decreased by:		
Utilization as Anticipated Revenue	3,955,000.00	3,680,000.00
Balance December 31	<u>\$ 6,952,463.54</u>	<u>\$ 7,284,628.91</u>

See notes to financial statements.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2023

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 3,955,000.00	\$ -	\$ 3,955,000.00	\$ -
Miscellaneous Revenue:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	40,000.00	-	40,752.00	752.00
Fees and Permits	310,000.00	-	102,985.26	(207,014.74)
Fines and Costs:				
Municipal Court	90,000.00	-	125,055.87	35,055.87
Interests and Costs on Taxes	200,000.00	-	189,155.32	(10,844.68)
Interest on Investments and Deposits	40,000.00	-	204,275.09	164,275.09
Anticipated Lease Revenues	315,000.00	-	246,413.77	(68,586.23)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	5,450,598.00	-	5,450,597.81	(0.19)
Reserve for Municipal Relief Fund	282,372.48	-	282,372.48	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	100,000.00	-	156,757.83	56,757.83
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues				
Offset with Appropriations:				
Clean Communities Program	-	25,981.37	25,981.37	-
Municipal Alliance on Alcoholism and Drug Abuse	-	9,000.00	9,000.00	-
DMHAS Youth Leadership Grant	-	7,021.00	7,021.00	-
Body Armor Replacement Fund	2,272.67	-	2,272.67	-
Recycling Tonnage Grant	-	20,600.21	20,600.21	-
Emergency Management Assistance Fund	-	10,000.00	10,000.00	-
Neighborhood Preservation Program	2,055.29	125,000.00	127,055.29	-
Prosperity Home Mortgage LLC Residential Rehabilitation Grant Program	-	60,000.00	60,000.00	-
NJ Youth Initiative Grant Program	-	59,000.00	59,000.00	-
NJ Transportation Trust Fund Grants	-	300,000.00	300,000.00	-
Stormwater Assistance Grant	-	25,000.00	25,000.00	-
Stormwater Management Grant	-	95,000.00	95,000.00	-
Hazardous Discharge Site Remediation Grant	-	188,079.50	188,079.50	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items				
Uniform Fire Safety Act	29,000.00	-	48,872.75	19,872.75
Total Miscellaneous Revenues	6,861,298.44	924,682.08	7,776,248.22	(9,732.30)
Receipts from Delinquent Taxes	550,000.00	-	925,922.77	375,922.77
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	9,000,811.52	-	9,780,000.84	779,189.32
Budget Totals	20,367,109.96	924,682.08	22,437,171.83	1,145,379.79
Non Budget Revenues	-	-	1,359,286.93	1,359,286.93
	<u>\$ 20,367,109.96</u>	<u>\$ 924,682.08</u>	<u>\$ 23,796,458.76</u>	<u>\$ 2,504,666.72</u>

CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

A-2

CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)

Year Ended December 31, 2023

Analysis of Realized Revenues:

Allocation of Current Tax Collections

Received from Collections

\$ 24,868,377.11

Allocated to:

Local School and County Taxes

16,713,376.27

Balance for Support of Municipal Budget Appropriations

8,155,000.84

Add: Appropriation "Reserve for Uncollected Taxes"

1,625,000.00

Amount for Support of Municipal Budget Appropriations

\$ 9,780,000.84

Receipts for Delinquent Taxes:

Delinquent Tax Collections

\$ 838,559.80

Tax Title Lien Collections

87,362.97

\$ 925,922.77

Fees and Permits

City Clerk

\$ 9,538.00

Board of Health

12,680.00

Police

5,174.15

Zoning and Planning Board

3,486.00

Code Inspection Office

39,976.00

Road Opening Permits

4,550.00

Recreation

15,992.12

Bureau of Fire Protection

12,568.99

Lyceum Hall

1,100.00

Mayor - Weddings

150.00

Tax Collector

180.00

105,395.26

Less - Refunds of Current Year Revenue

2,410.00

\$ 102,985.26

Non-Budget Revenues

Treasurer:

Administrative Fees for Outside Police Employment

\$ 57,227.92

Bus Shelter Income

1,040.00

Cable Television Franchise Fees

29,872.44

Cannabis Business Fee

500.00

DMV Inspections

750.00

Miscellaneous

410.75

Payment in Lieu of Taxes

954,747.50

Polling Places Fee

120.00

Premium Forfeited on Tax Sale Certificates

21,600.00

Recycling

5,948.00

Refunds and Reimbursements

6,340.51

Restitution

1,248.00

Sale of City Property

193,320.96

Settlements

17,414.03

State - Administrative Fee - Senior Citizens and Veterans

1,127.29

Trash Can Sales

15,175.00

\$ 1,306,842.40

Due from Trust Other Funds

Unexpended Reserve for Flexible Spending

291.69

Tax Collector:

Payment in Lieu of Taxes

27,567.33

Special Assessments

17,226.01

Miscellaneous

7,359.50

52,152.84

\$ 1,359,286.93

See notes to financial statements.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
Operations--Within "CAPS":						
GENERAL GOVERNMENT:						
General Administration:						
Salaries and Wages	\$ 298,000.00	\$ 280,000.00	\$ 207,643.37	\$ -	\$ 72,356.63	\$ -
Other Expenses	47,900.00	65,900.00	46,546.38	12,242.75	7,110.87	-
Mayor and Council:						
Salaries and Wages	33,000.00	33,000.00	30,842.02	-	2,157.98	-
Other Expenses	10,700.00	10,700.00	-	1,143.00	9,557.00	-
Municipal Clerk:						
Salaries and Wages	152,000.00	152,000.00	125,132.18	-	26,867.82	-
Other Expenses	79,000.00	74,000.00	27,937.87	12,356.39	33,705.74	-
Financial Administration:						
Salaries and Wages	150,000.00	135,000.00	84,055.79	-	50,944.21	-
Other Expenses	105,000.00	110,000.00	81,684.85	17,968.20	10,346.95	-
Audit Services:						
Other Expenses	35,500.00	35,500.00	33,920.00	-	1,580.00	-
Tax Collection:						
Salaries and Wages	229,000.00	229,000.00	215,142.48	-	13,857.52	-
Other Expenses	17,000.00	17,000.00	6,631.98	2,099.42	8,268.60	-
Tax Assessment Administration:						
Salaries and Wages	31,500.00	31,500.00	30,882.12	-	617.88	-
Other Expenses	16,100.00	16,100.00	4,665.47	-	11,434.53	-
Municipal Court:						
Other Expenses	453,200.00	453,200.00	448,166.88	-	5,033.12	-
Public Defender:						
Other Expenses	8,500.00	8,500.00	8,500.00	-	-	-
Legal Services:						
Other Expenses	222,100.00	212,100.00	91,365.77	36,781.19	83,953.04	-
Engineering Services and Costs:						
Other Expenses	75,000.00	85,000.00	50,224.61	22,220.00	12,555.39	-
Economic Development						
Other Expenses	91,500.00	76,500.00	14,383.75	8,220.00	53,896.25	-
Office of Programs Coordinator:						
Salaries and Wages	91,600.00	91,600.00	83,793.06	-	7,806.94	-
Other Expenses	69,800.00	59,800.00	27,331.63	7,148.50	25,319.87	-
Historic Commission:						
Salaries and Wages	5,000.00	5,050.00	5,000.06	-	49.94	-
Other Expenses	28,200.00	33,150.00	20,932.41	6,642.37	5,575.22	-
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	19,000.00	20,000.00	19,000.28	-	999.72	-
Other Expenses	47,800.00	44,800.00	16,931.32	16,587.25	11,281.43	-
CODE ENFORCEMENT AND ADMINISTRATION:						
Uniform Construction Code:						
Salaries and Wages	105,000.00	85,000.00	53,517.55	-	31,482.45	-
Other Expenses	45,000.00	45,000.00	16,499.55	1,050.65	27,449.80	-
Inspection of Buildings:						
Salaries and Wages	-	20,000.00	18,226.60	-	1,773.40	-
Other Expenses	117,700.00	107,700.00	37,631.24	-	70,068.76	-
Housing Code Inspections:						
Other Expenses	35,000.00	35,000.00	11,650.39	17,679.13	5,670.48	-
Rental Unit Inspections:						
Salaries and Wages	295,800.00	295,800.00	205,917.42	-	89,882.58	-
Other Expenses	19,300.00	19,300.00	8,398.85	2,728.72	8,172.43	-
INSURANCE:						
Liability Insurance	394,600.00	394,600.00	298,345.80	767.50	95,486.70	-
Workers Compensation Insurance	214,498.00	199,498.00	-	-	199,498.00	-
Employee Group Insurance	2,057,777.00	2,057,777.00	1,848,731.23	-	209,045.77	-
Employee Group Insurance - Waivers	20,700.00	20,700.00	17,641.69	-	3,058.31	-
Unemployment Insurance	50,000.00	50,000.00	31,588.59	-	18,411.41	-

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
Operations--Within "CAPS" (Continued):						
PUBLIC SAFETY:						
Police:						
Salaries and Wages	4,874,500.00	4,820,500.00	4,369,064.13	-	451,435.87	-
Other Expenses	382,300.00	436,300.00	303,010.75	97,164.43	36,124.82	-
Emergency Management Services:						
Salaries and Wages	11,500.00	11,500.00	10,500.00	-	1,000.00	-
Other Expenses	10,100.00	10,100.00	5,376.93	807.24	3,915.83	-
Aid to Volunteer Fire Companies	60,000.00	60,000.00	60,000.00	-	-	-
Aid to Volunteer Ambulance Companies:						
Endeavor Emergency Squad	64,000.00	64,000.00	64,000.00	-	-	-
Fire Department:						
Salaries and Wages	32,300.00	34,300.00	31,663.79	-	2,636.21	-
Other Expenses	248,300.00	248,300.00	118,845.57	65,736.98	63,717.45	-
Uniform Fire Safety Act (P.L. 1983),						
Fire Official:						
Salaries and Wages	61,300.00	61,300.00	46,547.90	-	14,752.10	-
Other Expenses	18,500.00	18,500.00	13,090.66	2,215.32	3,194.02	-
Municipal Prosecutor:						
Other Expenses	25,000.00	25,000.00	25,000.00	-	-	-
PUBLIC WORKS:						
Streets and Road Maintenance:						
Salaries and Wages	377,300.00	363,300.00	358,056.81	-	5,243.19	-
Other Expenses	182,050.00	246,050.00	141,897.82	28,073.47	76,078.71	-
Other Public Works Functions:						
Salaries and Wages	392,000.00	392,000.00	376,149.13	-	15,850.87	-
Other Expenses	49,400.00	44,400.00	11,820.19	2,470.85	30,108.96	-
Solid Waste Collection:						
Other Expenses	449,935.00	444,935.00	335,389.64	32,878.75	76,666.61	-
Buildings and Grounds:						
Salaries and Wages	115,400.00	123,400.00	120,475.96	-	2,924.04	-
Other Expenses	142,900.00	139,900.00	68,604.10	11,252.75	60,043.15	-
Vehicle Maintenance:						
Salaries and Wages	103,600.00	98,600.00	51,635.03	-	46,964.97	-
Other Expenses	124,000.00	129,000.00	84,408.87	31,214.66	13,376.47	-
HEALTH AND HUMAN SERVICES:						
Board of Health:						
Salaries and Wages	31,500.00	31,500.00	25,870.03	-	5,629.97	-
Other Expenses	3,400.00	3,400.00	1,947.21	307.78	1,145.01	-
Animal Control Officer:						
Other Expenses	25,000.00	25,000.00	15,168.62	1,860.00	7,971.38	-
PARKS AND RECREATION:						
Recreation Programs:						
Salaries and Wages	134,150.00	134,150.00	128,716.43	-	5,433.57	-
Other Expenses	77,300.00	77,300.00	53,449.10	11,774.06	12,076.84	-
Operations of Boat Ramp:						
Other Expenses	3,200.00	3,200.00	1,250.00	250.00	1,700.00	-
Maintenance of Parks:						
Salaries and Wages	45,900.00	37,900.00	15,633.28	-	22,266.72	-
Other Expenses	36,500.00	44,500.00	18,152.22	21,681.87	4,665.91	-
UTILITY EXPENSES:						
Electricity and Natural Gas	538,000.00	538,000.00	508,188.95	-	29,811.05	-
Telecommunications	70,000.00	95,000.00	81,511.67	507.80	12,980.53	-
Petroleum Products	150,000.00	140,000.00	94,958.12	-	45,041.88	-
Fire Hydrant Service	40,000.00	40,000.00	40,000.00	-	-	-
LANDFILL/SOLID WASTE DISPOSAL:						
Landfill/Solid Waste Disposal Costs	506,700.00	506,700.00	358,764.90	61,098.07	86,837.03	-
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):						
Accumulated Leave Compensation	10,000.00	10,000.00	-	-	10,000.00	-
Celebration of Public Events:						
Salaries and Wages	198,600.00	200,600.00	197,234.42	-	3,365.58	-
Other Expenses	103,700.00	101,700.00	26,788.52	13,920.96	60,990.52	-
Total Operations within "CAPS"	15,370,110.00	15,370,110.00	12,392,033.94	548,850.06	2,429,226.00	-
CONTINGENT:						
	500.00	500.00	-	-	500.00	-
Total Operations Including Contingent - within "CAPS"	15,370,610.00	15,370,610.00	12,392,033.94	548,850.06	2,429,726.00	-
Detail:						
Salaries and Wages	7,797,950.00	7,697,000.00	6,810,699.84	-	886,300.16	-
Other Expenses	7,572,660.00	7,673,610.00	5,581,334.10	548,850.06	1,543,425.84	-

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid	Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System	334,115.00	334,115.00	334,115.00	-	-	-
Social Security System (O.A.S.I.)	350,000.00	350,000.00	327,179.13	-	22,820.87	-
Police and Firemen's Retirement System of NJ (N.J.S.A. 40A:4-53, \$18,232.35+)	1,072,408.00	1,090,640.35	1,090,640.35	-	-	-
Defined Contribution Retirement Program	25,000.00	25,000.00	15,255.40	-	9,744.60	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	1,781,523.00	1,799,755.35	1,767,189.88	-	32,565.47	-
Total General Appropriations for Municipal Purposes within "CAPS"	17,152,133.00	17,170,365.35	14,159,223.82	548,850.06	2,462,291.47	-
OPERATIONS - EXCLUDED FROM "CAPS" OTHER OPERATIONS:						
Aid to Library (NJSA 40:54-35):						
Other Expenses	66,000.00	66,000.00	66,000.00	-	-	-
Recycling Tax	16,000.00	16,000.00	11,450.49	-	4,549.51	-
Employee Group Insurance	248,496.00	248,496.00	248,496.00	-	-	-
Workers Compensation Insurance	4,415.00	4,415.00	4,415.00	-	-	-
Solid Waste Collection - Other Expense	56,485.00	56,485.00	56,485.00	-	-	-
Landfill Solid Waste Disposal Other Expense	44,368.00	44,368.00	44,368.00	-	-	-
Police and Firemen's Retirement System	95,435.00	95,435.00	95,435.00	-	-	-
Total Other Operations - Excluded from "CAPS"	531,199.00	531,199.00	526,649.49	-	4,549.51	-
Public and Private Programs Offset with Revenues:						
Clean Community Program	-	25,981.37	25,981.37	-	-	-
Recycling Tonnage	-	20,600.21	20,600.21	-	-	-
Body Armor Replacement Fund	2,272.67	2,272.67	2,272.67	-	-	-
Emergency Management Assistance Grant	-	10,000.00	10,000.00	-	-	-
Municipal Alliance Grant on Alcoholism and Drug Abuse	-	9,000.00	9,000.00	-	-	-
Municipal Alliance Grant on Alcoholism and Drug Abuse Local Match	-	2,250.00	2,250.00	-	-	-
Hazardous Discharge Site Remediation Grant	-	188,079.50	188,079.50	-	-	-
Neighborhood Preservation Program	2,055.29	127,055.29	127,055.29	-	-	-
Prosperity Home Mortgage LLC Residential Rehabilitation Grant	-	60,000.00	60,000.00	-	-	-
NJ Youth Initiative Grant Program	-	59,000.00	59,000.00	-	-	-
NJ Transportation Trust Fund Grants	-	300,000.00	300,000.00	-	-	-
Stormwater Assistance Grant	-	25,000.00	25,000.00	-	-	-
Stormwater Management Grant	-	95,000.00	95,000.00	-	-	-
DMHAS Youth Leadership Grant	-	7,021.00	7,021.00	-	-	-
Total Public and Private Programs Offset with Revenues	4,327.96	931,260.04	931,260.04	-	-	-
Total Operations Excluded from "CAPS"	535,526.96	1,462,459.04	1,457,909.53	-	4,549.51	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	535,526.96	1,462,459.04	1,457,909.53	-	4,549.51	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvements - Excluded from "CAPS"	100,000.00	100,000.00	100,000.00	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	610,000.00	610,000.00	610,000.00	-	-	-
Interest on Bonds	344,450.00	344,450.00	344,435.00	-	-	15.00
Total Municipal Debt Service - Excluded from "CAPS"	954,450.00	954,450.00	954,435.00	-	-	15.00
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,589,976.96	2,516,909.04	2,512,344.53	-	4,549.51	15.00
Subtotal General Appropriations	18,742,109.96	19,687,274.39	16,671,568.35	548,850.06	2,466,840.98	15.00
Reserve for Uncollected Taxes	1,625,000.00	1,625,000.00	1,625,000.00	-	-	-
Total General Appropriations	\$ 20,367,109.96	\$ 21,312,274.39	\$ 18,296,568.35	\$ 548,850.06	\$ 2,466,840.98	\$ 15.00
Original Budget		\$ 20,367,109.96				
Appropriation by 40A:4-53		20,482.35				
Appropriation by 40A:4-87		924,682.08				
		<u>\$ 21,312,274.39</u>				
Reserve for Uncollected Taxes			\$ 1,625,000.00			
Reserve for Federal, State and Other Grants			929,010.04			
Local Match Due to Federal and State Grant Fund			2,250.00			
Disbursed in Grant Fund on Behalf of Current Fund			10,175.67			
Cash Disbursed			16,245,162.72			
Refunds -- Receipts			(515,030.08)			
			<u>\$ 18,296,568.35</u>			

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

	2023	2022
<u>ASSETS:</u>		
Assessment Trust Fund:		
Cash	\$ 819.74	\$ 818.70
Assessments Receivable	-	1,732.10
	<u>819.74</u>	<u>2,550.80</u>
Animal Control Fund:		
Cash	<u>4,024.66</u>	<u>4,133.00</u>
Other Funds:		
Cash - Treasurer	3,041,132.49	2,058,854.12
Cash - Collector	786,711.31	1,360,200.00
Due from Payroll Agency	-	132,047.66
Due from Payroll Account	-	200,000.00
Due from Current Fund	118,620.83	-
Forgiveable NSP Mortgage Receivable	72,303.00	76,164.00
Loans Receivable:		
UDAG - Economic Development Ordinance	21,122.69	51,645.29
	<u>4,039,890.32</u>	<u>3,878,911.07</u>
	<u>\$ 4,044,734.72</u>	<u>\$ 3,885,594.87</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>		
Assessment Trust Fund:		
Due to Current Fund	\$ 1.04	\$ 1,732.10
Fund Balance	818.70	818.70
	<u>819.74</u>	<u>2,550.80</u>
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	2,962.00	3,173.80
Due to Current Fund	1,062.66	959.20
	<u>4,024.66</u>	<u>4,133.00</u>
Other Funds:		
Reserve for:		
Forgiveable NSP Mortgages Receivable	72,303.00	76,164.00
Title I UDAG Loans Receivable	21,122.69	51,645.29
Community Development Act of 1974	461,909.99	421,350.11
Miscellaneous Trust Fund Liabilities and Reserves	3,484,554.64	3,329,751.67
	<u>4,039,890.32</u>	<u>3,878,911.07</u>
	<u>\$ 4,044,734.72</u>	<u>\$ 3,885,594.87</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Cash	\$ 61,239.33	\$ 174,417.74
Due from Current Fund	232,083.20	-
Due from Water Utility Capital Fund	2,392.00	-
Due from County of Burlington	430,000.00	430,000.00
Due from State of New Jersey	1,142,785.16	641,315.16
Deferred Charges to Future Taxation:		
Funded	6,740,000.00	7,350,000.00
Unfunded	4,256,887.31	3,548,187.31
	<u>\$ 12,865,387.00</u>	<u>\$ 12,143,920.21</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes	\$ 390,000.00	\$ -
General Serial Bonds	6,740,000.00	7,350,000.00
Improvement Authorizations:		
Funded	1,306,778.18	822,285.85
Unfunded	3,566,380.36	3,510,115.10
Reserve for Encumbrances	734,845.51	387,806.31
Capital Improvement Fund	107,518.10	53,848.10
Fund Balance	<u>19,864.85</u>	<u>19,864.85</u>
	<u>\$ 12,865,387.00</u>	<u>\$ 12,143,920.21</u>
Bonds and Notes Authorized but not Issued	<u>\$ 3,866,887.31</u>	<u>\$ 3,548,187.31</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D

**WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

	2023	2022
ASSETS		
Operating Fund:		
Cash - Treasurer	\$ 1,624,434.40	\$ 1,364,323.57
Cash - Collector	143,875.42	147,435.42
Change Funds - Collector	100.00	100.00
Due from Water Trust Assessment Fund	0.71	-
Due from Water Utility Capital Fund	550,543.67	350,000.00
	<u>2,318,954.20</u>	<u>1,861,858.99</u>
Receivables With Full Reserves:		
Consumer Accounts Receivable	540,934.37	445,590.64
Water Utility Liens Receivable	49,164.13	57,124.31
	<u>590,098.50</u>	<u>502,714.95</u>
Deferred Charges - Emergency Appropriations	-	2,400.00
Total Operating Fund	<u>2,909,052.70</u>	<u>2,366,973.94</u>
Assessment Trust Fund:		
Cash	558.35	557.64
Total Assessment Trust Fund	<u>558.35</u>	<u>557.64</u>
Capital Fund:		
Cash	542,865.31	6,804.12
Due from Sewer Utility Capital Fund	55,000.00	-
Due from NJ Infrastructure Bank	292,795.00	785,321.00
Fixed Capital	14,652,551.75	14,227,551.75
Fixed Capital Authorized and Uncompleted	6,565,000.00	6,550,000.00
Total Capital Fund	<u>22,108,212.06</u>	<u>21,569,676.87</u>
	<u>\$ 25,017,823.11</u>	<u>\$ 23,937,208.45</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D

**WATER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

	2023	2022
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund:		
Appropriation Reserves	\$ 294,217.12	\$ 109,615.17
Encumbrances Payable	115,909.67	126,612.65
Accounts Payable	-	2,619.00
Accrued Interest on Debt	6,423.23	12,271.68
Water Rent Overpayments	30,829.05	-
	<u>447,379.07</u>	<u>251,118.50</u>
 Reserve for Receivables	 590,098.50	 502,714.95
Fund Balance	<u>1,871,575.13</u>	<u>1,613,140.49</u>
Total Operating Fund	<u>2,909,052.70</u>	<u>2,366,973.94</u>
 Assessment Trust Fund:		
Due to Water Utility Operating Fund	0.71	-
Fund Balance	<u>557.64</u>	<u>557.64</u>
Total Assessment Trust Fund	<u>558.35</u>	<u>557.64</u>
 Capital Fund:		
Serial Bonds Payable	460,000.00	540,000.00
NJ Environmental Infrastructure Bank Fund Loan	41,964.36	44,432.85
NJ Environmental Infrastructure Bank Trust Loan	360,000.00	375,000.00
Bond Anticipation Notes Payable	160,000.00	-
Interim Loan - N.J. Infrastructure Bank	1,990,596.00	1,990,596.00
Due to General Capital Fund	2,392.00	-
Due to Water Utility Operating Fund	550,543.67	350,000.00
Encumbrances	177,823.50	369,132.93
Improvement Authorizations:		
Funded	16,200.00	-
Unfunded	2,628,678.19	2,277,969.24
Capital Improvement Fund	7,009.17	28,009.17
Reserve for Amortization	14,025,020.24	13,927,551.75
Deferred Reserve for Amortization	1,683,913.03	1,662,913.03
Fund Balance	<u>4,071.90</u>	<u>4,071.90</u>
Total Capital Fund	<u>22,108,212.06</u>	<u>21,569,676.87</u>
	<u>\$ 25,017,823.11</u>	<u>\$ 23,937,208.45</u>
 Bonds and Notes Authorized but not Issued	 <u>\$ 2,496,058.12</u>	 <u>\$ 2,237,058.12</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D-1

**WATER UTILITY FUND
STATEMENTS OF INCOME AND CHANGES IN OPERATING FUND BALANCE**

Years Ended December 31, 2023 and 2022

	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 463,383.00	\$ 476,392.54
Water Utility Rents	2,463,959.78	2,628,209.64
Fire Hydrant Service	40,000.00	40,000.00
Water Capital Fund Balance Anticipated	-	60,000.00
Miscellaneous Revenue Anticipated	155,013.78	116,863.08
Other Credits to Income:		
Accounts Payable Cancelled	2,619.00	-
Unexpended Balance of Appropriation Reserves	139,381.46	101,140.01
Water Rents Overpayments Cancelled	140.25	-
Total Income	<u>3,264,497.27</u>	<u>3,422,605.27</u>
<u>Expenditures</u>		
Operating	2,244,100.00	2,250,023.54
Debt Service	125,496.63	194,873.11
Deferred Charges and Statutory Expenditures	173,083.00	135,000.00
Total Expenditures	<u>2,542,679.63</u>	<u>2,579,896.65</u>
Excess in Revenues	721,817.64	842,708.62
Adjustments to Income Before Surplus:		
Deferred Charge to be Raised in Budget of Succeeding Year	<u>-</u>	<u>2,400.00</u>
	721,817.64	845,108.62
<u>Fund Balance</u>		
Balance, January 1	<u>1,613,140.49</u>	<u>1,244,424.41</u>
	2,334,958.13	2,089,533.03
Decreased by:		
Utilized as Anticipated Revenue	<u>463,383.00</u>	<u>476,392.54</u>
Balance, December 31	<u>\$ 1,871,575.13</u>	<u>\$ 1,613,140.49</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

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**WATER UTILITY FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2023

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	\$ 463,383.00	\$ 463,383.00	\$ -
Rents	1,990,000.00	2,463,959.78	473,959.78
Fire Hydrant Service	40,000.00	40,000.00	-
Miscellaneous Revenue Anticipated	35,000.00	155,013.78	120,013.78
Water Capital Fund Balance Anticipated	60,000.00	-	(60,000.00)
	<hr/>	<hr/>	<hr/>
Budget Totals	\$ 2,588,383.00	\$ 3,122,356.56	\$ 533,973.56
	<hr/>	<hr/>	<hr/>
<u>Analysis of Rents:</u>			
Revenue from Collections:			
Water Rents Collected	\$ 2,454,242.92		
Sewer Liens Collected	9,716.86		
	<hr/>		
		\$ 2,463,959.78	
		<hr/>	
<u>Analysis of Miscellaneous Revenue:</u>			
Treasurer:			
Interest Earnings on Deposits	\$ 24,666.29		
Cell Tower Lease	67,394.46		
Interest Earned - Due Water Capital	543.67		
Interest Earned - Due Water Assessment Trust	0.71		
	<hr/>		
		\$ 92,605.13	
Collector:			
Interest on Delinquent Accounts	45,043.65		
Miscellaneous	3,365.00		
Water Connections	14,000.00		
	<hr/>		
		62,408.65	
		<hr/>	
Total		\$ 155,013.78	
		<hr/>	

See notes to financial statements.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

D-3

**WATER UTILITY FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 903,200.00	\$ 884,660.28	\$ 884,660.28	\$ -	\$ -	\$ -
Other Expenses	1,346,900.00	1,359,439.72	961,359.48	115,909.67	282,170.57	-
Total Operating	2,250,100.00	2,244,100.00	1,846,019.76	115,909.67	282,170.57	-
Debt Service:						
Payment of Bond Principal	80,000.00	80,000.00	80,000.00	-	-	-
Interest on Bonds	17,300.00	22,839.20	17,205.95	-	-	5,633.25
Interest on Bond Anticipation Notes	-	460.80	460.80	-	-	-
N.J. Environmental Infrastructure Trust:						
State of New Jersey Fund Loan:						
Payment of Principal	40,000.00	40,000.00	2,468.49	-	-	37,531.51
State of New Jersey Trust Loan:						
Payment of Principal	17,500.00	17,500.00	15,000.00	-	-	2,500.00
Payment of Interest	10,400.00	10,400.00	10,361.39	-	-	38.61
Total Debt Service	165,200.00	171,200.00	125,496.63	-	-	45,703.37
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Emergency Authorizations	2,400.00	2,400.00	2,400.00	-	-	-
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	105,683.00	105,683.00	105,683.00	-	-	-
Social Security System (O.A.S.I.)	64,000.00	64,000.00	52,953.45	-	11,046.55	-
Unemployment Compensation Insurance	1,000.00	1,000.00	-	-	1,000.00	-
Total Deferred Charges and Statutory Expenditures	173,083.00	173,083.00	161,036.45	-	12,046.55	-
Total Water Utility Appropriations	<u>\$ 2,588,383.00</u>	<u>\$ 2,588,383.00</u>	<u>\$ 2,132,552.84</u>	<u>\$ 115,909.67</u>	<u>\$ 294,217.12</u>	<u>\$ 45,703.37</u>
Accrued Interest on Debt:						
Interest on Bonds			\$ 17,205.95			
Interest on Loans			10,361.39			
Interest on Bond Anticipation Notes			460.80			
Deferred Charge - Emergency			2,400.00			
Disbursements			2,102,124.70			
			<u>\$ 2,132,552.84</u>			

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

	2023	2022
ASSETS		
Operating Fund:		
Cash - Treasurer	\$ 1,371,641.48	\$ 1,405,441.15
Cash - Collector	200,750.80	202,757.64
Due from Sewer Assessment Trust Fund	1.74	-
Due from Sewer Capital Fund	350.17	100,000.00
	<u>1,572,744.19</u>	<u>1,708,198.79</u>
Receivables With Full Reserves:		
Sewer Rents Receivable	285,479.32	241,980.28
Sewer Liens Receivable	28,523.41	41,200.62
	<u>314,002.73</u>	<u>283,180.90</u>
Deferred Charges:		
Deferred Charges - Emergency Appropriations	-	5,000.00
Total Operating Fund	<u>1,886,746.92</u>	<u>1,996,379.69</u>
Assessment Fund:		
Cash	<u>1,366.71</u>	<u>1,364.97</u>
Capital Fund:		
Cash	295,317.65	4,696.70
Fixed Capital	26,402,455.78	26,402,455.78
Fixed Capital Authorized and Uncompleted	<u>1,280,000.00</u>	<u>840,000.00</u>
Total Capital Fund	<u>27,977,773.43</u>	<u>27,247,152.48</u>
	<u><u>\$ 29,865,887.06</u></u>	<u><u>\$ 29,244,897.14</u></u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

	2023	2022
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund:		
Liabilities:		
Appropriation Reserves	291,668.78	\$ 316,613.89
Encumbrances Payable	290,721.31	217,391.69
Accrued Interest on Bonds, Notes and Loans	25,622.29	43,501.73
Sewer Rents Overpayments	26,373.07	-
Accounts Payable	-	8,455.57
	<u>634,385.45</u>	<u>585,962.88</u>
Reserve for Receivables	314,002.73	283,180.90
Fund Balance	<u>938,358.74</u>	<u>1,127,235.91</u>
Total Operating Fund	<u>1,886,746.92</u>	<u>1,996,379.69</u>
Assessment Fund:		
Due to Sewer Utility Operating Fund	1.74	-
Fund Balance	<u>1,364.97</u>	<u>1,364.97</u>
	<u>1,366.71</u>	<u>1,364.97</u>
Capital Fund:		
Serial Bonds Payable	475,000.00	575,000.00
Fund Loan - N.J. Environmental Infrastructure Trust	1,116,669.09	1,344,097.54
Trust Loan - N.J. Environmental Infrastructure Trust	1,106,000.00	1,336,000.00
Bond Anticipation Notes Payable	450,000.00	-
Due to Sewer Operating	350.17	100,000.00
Due to Water Utility Capital Fund	55,000.00	-
Improvement Authorizations:		
Funded	16,200.00	-
Unfunded	461,901.34	90,112.99
Encumbrances	948.12	21,665.69
Reserve for Mitchell Avenue Pump Station	5,000.00	5,000.00
Capital Improvement Fund	225,547.31	246,547.31
Reserve for Amortization	23,749,786.69	23,192,358.24
Deferred Reserve for Amortization	315,290.89	294,290.89
Capital Fund Balance	79.82	42,079.82
Total Capital Fund	<u>27,977,773.43</u>	<u>27,247,152.48</u>
	<u>\$ 29,865,887.06</u>	<u>\$ 29,244,897.14</u>
Bonds and Notes Authorized but not Issued	<u>\$ 469,709.11</u>	<u>\$ 500,709.11</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-1

**SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2023 and 2022

	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 851,980.00	\$ 1,130,334.68
Sewer Rents	2,847,299.07	2,866,846.82
Miscellaneous Revenue	52,032.04	23,492.86
Sewer Capital Fund Balance Anticipated	42,000.00	289,290.89
Other Credits to Income:		
Accounts Payable Cancelled	8,455.57	-
Unexpended Balance of Appropriation Reserves	420,001.66	247,378.16
Total Income	<u>4,221,768.34</u>	<u>4,557,343.41</u>
<u>Expenditures</u>		
Operating	2,755,200.00	2,763,827.62
Debt Service	642,095.26	869,196.82
Deferred Charges and Statutory Expenditures	161,230.00	448,870.89
Other Charges to Expenditures		
Miscellaneous Adjustment - Sewer Rent Overpayments	140.25	-
Total Expenditures	<u>3,558,665.51</u>	<u>4,081,895.33</u>
Statutory Excess to Fund Balance	663,102.83	475,448.08
Adjustments to Income Before Surplus:		
Deferred Charge to be Raised in Budget of Succeeding Year	-	5,000.00
<u>Fund Balance</u>		
Balance January 1	<u>1,127,235.91</u>	<u>1,777,122.51</u>
	1,790,338.74	2,257,570.59
Decreased by:		
Utilized as Revenue	<u>851,980.00</u>	<u>1,130,334.68</u>
Balance December 31	<u>\$ 938,358.74</u>	<u>\$ 1,127,235.91</u>

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-2

**SEWER UTILITY FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2023

	Anticipated Budget	Realized	Excess or Deficit
Surplus Anticipated	\$ 851,980.00	\$ 851,980.00	\$ -
Rents	2,660,000.00	2,847,299.07	187,299.07
Sewer Capital Fund Balance Anticipated	42,000.00	42,000.00	-
Miscellaneous	20,000.00	52,032.04	32,032.04
	<u> </u>	<u> </u>	<u> </u>
Budget Totals	\$ 3,573,980.00	\$ 3,793,311.11	\$ 219,331.11
	<u> </u>	<u> </u>	<u> </u>
<u>Analysis of Rents:</u>			
Revenue from Collections:			
Sewer Rents Collected	\$ 2,839,082.67		
Overpayments Applied	140.25		
Sewer Liens Collected	8,076.15		
	<u> </u>		
		\$ 2,847,299.07	
		<u> </u>	
<u>Analysis of Miscellaneous Revenue</u>			
Treasurer:			
Interest on Investments and Deposits		\$ 20,973.47	
Due Capital Fund - Interest on Investments and Deposits		350.17	
Due Assessment Fund - Interest on Investments and Deposits		1.74	
Collector:			
Interest on Delinquent Rents	\$ 21,706.66		
Sewer Connections	9,000.00		
	<u> </u>		
		30,706.66	
		<u> </u>	
		\$ 52,032.04	
		<u> </u>	

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E-3

**SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 981,200.00	\$ 950,200.00	\$ 811,646.77	\$ -	\$ 138,553.23	\$ -
Other Expenses	1,786,000.00	1,805,000.00	1,380,068.85	290,721.31	134,209.84	-
Total Operating	<u>2,767,200.00</u>	<u>2,755,200.00</u>	<u>2,191,715.62</u>	<u>290,721.31</u>	<u>272,763.07</u>	<u>-</u>
Debt Service:						
Principal on Bonds	100,000.00	100,000.00	100,000.00	-	-	-
Interest on Bonds	25,600.00	38,804.00	25,522.48	-	-	13,281.52
Interest on Notes	-	1,296.00	1,296.00	-	-	-
NJ Environmental Infrastructure Trust:						
State of New Jersey Fund Loan:						
Payment of Principal	227,450.00	227,450.00	227,428.45	-	-	21.55
State of New Jersey Fund Loan:						
Payment of Principal	230,000.00	230,000.00	230,000.00	-	-	-
Payment of Interest	60,000.00	60,000.00	57,848.33	-	-	2,151.67
Total Debt Service	<u>643,050.00</u>	<u>657,550.00</u>	<u>642,095.26</u>	<u>-</u>	<u>-</u>	<u>15,454.74</u>
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Emergency Authorization	5,000.00	5,000.00	5,000.00	-	-	-
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	94,730.00	94,730.00	94,730.00	-	-	-
Social Security System (O.A.S.I.)	62,000.00	59,500.00	42,594.29	-	16,905.71	-
N.J. Unemployment Compensation	2,000.00	2,000.00	-	-	2,000.00	-
Total Deferred Charges and Statutory Expenditures	<u>163,730.00</u>	<u>161,230.00</u>	<u>142,324.29</u>	<u>-</u>	<u>18,905.71</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 3,573,980.00</u>	<u>\$ 3,573,980.00</u>	<u>\$ 2,976,135.17</u>	<u>\$ 290,721.31</u>	<u>\$ 291,668.78</u>	<u>\$ 15,454.74</u>
Accrued Interest on Bonds and Notes:						
Interest on Bonds			\$ 25,522.48			
Interest on Bond Anticipation Notes			1,296.00			
Interest on Loans			57,848.33			
Deferred Charge -- Emergency			5,000.00			
Disbursed			<u>2,886,468.36</u>			
			<u>\$ 2,976,135.17</u>			

See notes to financial statements.

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**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

F

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET**

December 31, 2023 and 2022

	2023	2022
General Fixed Assets:		
Land, Buildings and Improvements	\$ 13,486,683.07	\$ 12,708,683.07
Property Held for Redevelopment	190,324.52	190,324.52
Furniture, Vehicles and Equipment	9,876,557.37	8,761,500.36
Total	<u>\$ 23,553,564.96</u>	<u>\$ 21,660,507.95</u>
Total Investment in General Fixed Assets	<u>\$ 23,553,564.96</u>	<u>\$ 21,660,507.95</u>

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Burlington (the "City"), founded in 1677, is a New Jersey municipal corporation located on the Delaware River in Southern Western New Jersey, approximately 17 miles north of the City of Philadelphia and 17 miles south of Trenton. The population of the City according to the 2020 census is approximately 9,743. The City provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning, health and welfare, and general administrative services.

The City is under a Mayor-Council Plan form of government. The Mayor and seven Council members are elected at large to four-year terms. The City Administrator is responsible for the daily operations of the City and reports to the Council during their monthly meetings.

Component Units

The City had no component units as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended by GASB Statements No. 39 and 61 defining a component unit.

Descriptions of Funds

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

In accordance with the Requirements, the City accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund – The Current Fund accounts for resources and expenditures for government 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 - Receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Descriptions of Funds (Continued)

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

General Fixed Assets Account Group – Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from Generally Accepted Accounting Principles (“GAAP”) applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City’s Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State Grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City’s budget. Federal and State Grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Pension and Other Post-Employment Benefits (“OPEB”) Expenses - are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance. GAAP requires all related pension and OPEB accounting to be recognized on an accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

Deferred Charges - the regulatory basis of accounting utilized by the City requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Compensated Absences, Pensions and Other Post-employment 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, pension and post-employment expenses are recorded on a cash basis as billed by the State. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statements of assets, liabilities, reserves and fund balance.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets at its market value.

Sale of Municipal Assets - cash proceeds from the sale of the City-owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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 balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheets until utilized and expended.

General Fixed Assets - in accordance with the Technical Accounting Directive No. 85-2, *Accounting for Governmental Fixed Assets*, as promulgated by the Division, which differs in certain respects from GAAP, the City has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

All fixed assets are valued at reported acquisition costs or estimated acquisition cost if actual historical cost is not available.

No depreciation has been provided for the financial statements, which follows Requirements and the City's basis of accounting. GAAP requires recognition of straight line depreciation over the estimated useful lives of fixed assets.

Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

Utility Fixed Assets - accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. GAAP requires recognition of straight line depreciation over the estimated useful lives of fixed assets.

Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 10 days after the above due dates. The City bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

Financial Statements

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

Budget and Budgetary Accounting

The City is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Not later than February 10 of the budget year the City introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held at least 28 days after introduction; after a public hearing the budget may be adopted by the governing body.

Once a budget is approved, it may be amended after November 1 by a resolution adopted by the governing body.

CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2023, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 20,460,506.41
Total Deposits & Investments	<u>\$ 20,460,506.41</u>
Reconciliation of Cash	
Current	\$ 11,341,245.96
Federal and State Grants	1,044,422.80
Dog Trust	4,024.66
Other Trust	3,827,843.80
General Capital	61,239.33
Trust Assessment	819.74
Sewer	
Operating	1,572,392.28
Assessment	1,366.71
Capital	295,317.65
Water	
Operating	1,768,409.82
Assessment	558.35
Capital	<u>542,865.31</u>
Total Reconciliation of Comparative Balance Sheets	<u>\$ 20,460,506.41</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$20,822,008.39 at December 31, 2023. Of the bank balance, \$250,000.00 was fully insured by the Federal Deposit Insurance Corporation and \$20,572,008.39 was secured by a collateral pool held by the bank as required by New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The GUDPA is more fully described in Note C of these financial statements.

Investment Interest Rate Risk – The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation by state law of certain investments as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the City or bonds or other obligations of the local unit or units within which the City is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the City;
- Local governments' investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The City places no limit on the amount it may invest in any one issuer.

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”)

The City has deposited cash in 2023 with an approved public fund depository qualified under the provisions of the GUDPA. In addition to savings and checking accounts, the City invests monies in certificates of deposits.

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.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (“GUDPA”) (CONTINUED)

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 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.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

D. PENSION PLANS

A substantial number of the City’s employees participate in the following defined benefit pension plans: the Public Employees Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits (the “Division of Pensions and Benefits”). Both plans have a board of trustees that is primarily responsible for its administration. The Division of Pensions and Benefits issues publicly available financial reports for each plan that includes financial statements and required supplementary information. Those reports may be obtained at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml> or by writing to:

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

Plan Descriptions

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the Division of Pensions and Benefits. For additional information about PERS and PFRS, please refer to the Division of Pensions and Benefits annual financial statements, which can be found at the link above.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). 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 benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn a salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn a 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 a 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 a salary of at least \$5,000.00 annually.

Benefits Provided

For PERS, vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 are 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 are 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 their respective tier.

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after four years of service.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 if 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.

For DCRP, 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.

PERS

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023, State PERS special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State

**CITY OF BURLINGTON
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NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

PERS (Continued)

contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ended June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ended June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

PFRS

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

A special funding situation exists for the local employers of the PFRS of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers under 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 plan year ended June 30, 2023, state special funding situation net pension liability amount of \$2,035,866,759, is the accumulated difference between the annual actuarially determined state obligation under the special funding situation and the actual state contribution through the valuation date. The state special funding situation pension expense of \$231,575,656, for the plan year ended June 30, 2023, is the actuarially determined contribution amount that the state owes for the plan year ended June 30, 2023. The pension expense is deemed to be a state administrative expense due to the special funding situation.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the state if certain circumstances occurred. The legislation, which legally obligates the state, is as follows: Chapter 8, P.L. 2000; Chapter 318, P.L. 2001; Chapter 86, P.L. 2001; Chapter 511, P.L. 1991; Chapter 109, P.L. 1979; Chapter 247, P.L. 1993; and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the state is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer-specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. The portion of the PERS and PFRS non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the City is \$0 and \$1,767,483 and the non-employer contributions were \$20,065 and \$202,132, respectively.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

DCRP

The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the plan year ended June 30, 2023, the City's contributions were \$15,255.40. There were no forfeitures during the year.

The City is billed annually for its normal contribution plus any accrued liability. Contribution to PERS from the City was \$593,688.00 for the year ended December 31, 2023. Contribution to PFRS from the City was \$1,155,712.00 for the year ended December 31, 2023.

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

At plan year ended June 30, 2023, the City had a liability of \$6,433,987.00 for its proportionate share of the net pension liability in PERS and had a liability of \$9,592,248.00 for its proportionate share of the net pension liability in PFRS.

The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2023, the City's PERS proportion was 0.0444201939%, which was an increase of 0.0020326% from its proportion measured as of plan year ended June 30, 2022. At plan year ended June 30, 2023, the City's PFRS proportion was 0.08681724% which was a decrease of 0.0029786% from its proportion measured as of plan year ended June 30, 2022. Per the State report, the City's PERS pension expense for the plan year ended June 30, 2023, was a net credit of \$63,485 and the City's PFRS pension expense for the plan year ended June 30, 2023, was \$696,433.

At plan years ended June 30, 2023 and 2022, respectively, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS as of June 30, 2023		PFRS as of June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 61,517	\$ 26,300	\$ 410,721	\$ 457,465
Changes in Assumptions	14,134	389,927	20,703	647,707
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	29,629	-	488,515	-
Changes in Proportion	288,121	302,585	650,677	522,911
	<u>\$ 393,401</u>	<u>\$ 718,812</u>	<u>\$ 1,570,616</u>	<u>\$ 1,628,083</u>

**CITY OF BURLINGTON
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NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS as of		PFRS as of	
Years Ending June 30,		Years Ending June 30,	
2024	\$ (339,690)	2024	\$ (373,296.8)
2025	(189,602)	2025	(358,244)
2026	264,956	2026	576,379
2027	(47,417)	2027	(49,573)
2028	806	2028	17,694
Thereafter	-	Thereafter	1,808
	<u>\$ (310,947)</u>		<u>\$ (185,233)</u>

The previous amounts do not include City-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by the City over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for PERS and 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for PFRS for the years 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Actuarial Assumptions

The PERS and PFRS net pension liabilities were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total PERS and PFRS pension liabilities for the plan year ended June 30, 2023, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases (based on years of service)	2.75 - 6.55%	3.25 - 16.25%
Investment rate of return	7.00%	7.00%

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with state statute, the long-term expected rate of return on plan investments of 7.00% is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division, 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 real rates of return for each major asset class included in PERS's and PFRS's target asset allocation, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International Small cap Equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real assets	3.00%	8.40%
Real estate	8.00%	8.58%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	<u>100.00%</u>	

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liabilities of PERS and PFRS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that employers and the non-employer 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 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 the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the collective net pension liability of the participating employers, calculated using the discount rate as disclosed above as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
City's proportionate share of			
PERS Plan Year Ended June 30, 2023	\$ 8,392,052	\$ 6,433,987	\$ 4,767,415
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
City's proportionate share of			
PFRS Plan Year Ended June 30, 2023	\$ 14,060,314	\$ 9,592,248	\$ 5,871,417

E. OTHER POST-EMPLOYMENT BENEFITS

General Information About the OPEB Plan

The City contributes to the State Health Benefits Program, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52: 14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical and prescription drug coverage to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, the City authorized participation in the SHBP's post-retirement benefit program through resolution number 05-340-R-255 on December 6, 2005. The City adopted the provision of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents covered by the New Jersey Health Benefits Program. In accordance with P.L. 2011 c. 78, employees make contributions towards their health insurance premiums based on their salary in accordance with a formula provided for in the law.

The formula is based on:

- Type of coverage: family, employee plus (children, spouse, partner), or individual employee, or their equivalents;
- Base salary, which determines the percent of premium cost that is contributed for each type of coverage; and
- Cost of coverage (premium).

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

General Information About the OPEB Plan (Continued)

The minimum and maximum percentages, based on the type of coverage and impact of income range at full (fourth year) implementation, are as follows:

Type of Coverage	First Salary Bracket	% of Premium at Lowest Salary Bracket	Highest Salary (and over)	Maximum % of Premium Paid
Employee	< than \$20,000	4.5%	\$ 95,000	35%
Employee plus	< than \$25,000	3.5%	\$ 100,000	35%
Family	< than \$25,000	3.0%	\$ 110,000	35%

The SHBP provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pensions and Benefits. 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 post-retirement 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 negotiation 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 post-retirement medical coverage. Local employers were required to file a resolution with the Division of Pensions and Benefits 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 post-retirement 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.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Fund Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City on a monthly basis. As a participating employer, the City will pay and remit to the State Treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Laws of 1972.

The City's contributions to SHBP retirees for the year ended December 31, 2023, were \$2,168,956, which equaled the required contributions for active and retired participants for the year. There were one hundred sixty-four eligible plan members in 2023.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023, were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023.

Net OPEB Liability

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the SHBP as of plan year ended June 30, 2023, are as follows:

	<u>June 30, 2023</u>
Total OPEB Liability	\$ 26,768,481
Plan Fiduciary Net Position	<u>(210,276)</u>
Net OPEB Liability	<u><u>\$ 26,978,757</u></u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	-0.79%

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. One-hundred percent of active members are considered to participate in the Plan upon retirement.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

The total OPEB liability as of plan year ended June 30, 2023, was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Rate for all Future Years	2.75 - 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all Future Years	3.25 - 16.25%
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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023, was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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NOTES TO FINANCIAL STATEMENTS

E. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of plan year ended June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
\$ 31,250,000	\$ 26,978,757	\$ 23,543,201

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of plan year ended June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
\$ 22,928,769	\$ 26,978,757	\$ 32,163,979

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,244,121	\$ 7,326,549
Changes in Assumptions	3,494,761	7,626,031
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,452
Changes in Proportion	14,748,704	9,414,890
	\$ 19,487,586	\$ 24,371,922

CITY OF BURLINGTON
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NOTES TO FINANCIAL STATEMENTS

E. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for plan year ended June 30, 2023:

	Years Ending December 31,	
2024	\$	(9,829,154)
2025		(1,057,131)
2026		228,067
2027		820,000
2028		(156,179)
Thereafter		(223,753)
	\$	<u>(10,218,150)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which are 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

F. COMPENSATED ABSENCES

City employees are entitled to paid vacation depending upon their length of service with the City. Vacation days not used during the year may be accumulated and carried forward to the next succeeding year and must then be used or forfeited. Unused vacation time is reimbursed to the employee at their current rate of pay upon termination in accordance with their respective union contracts or personnel policies.

City employees accrue unused sick time in three separate classes: Class A – Supervisors will be compensated for up to 100 days of sick leave at retirement; Class B – Police Officers employed prior to January 4, 1990, will be compensated for all unused sick time at retirement and Police Officers hired afterwards will be compensated for up to 100 days of sick leave at retirement; and Class C – Other City employees will be compensated for one-half of all unused sick time not exceeding \$6,000 at retirement.

The City does not record accrued expenses related to compensated absences. However, at December 31, 2023, the estimated liability for accumulated leave was \$2,685,331 and a related reserve of \$134,848.45 was maintained in the Trust Funds. The estimated liability for accumulated leave is broken down as follows:

Vacation	\$	396,950
Sick		2,255,985
Personal Time		<u>32,397</u>
Total	\$	<u>2,685,331</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. DEFERRED COMPENSATION PLAN

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

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

H. FUND BALANCES APPROPRIATED

The 2023 annual budget utilized \$3,955,000.00 of fund balance in the Current Fund. \$463,383.00 of the Water Utility Operating Fund is anticipated in support of the 2023 Water Utility Fund budget. \$851,980.00 of the Sewer Utility Operating Fund is anticipated in support of the 2023 Sewer Utility Fund budget. The 2024 annual budget appropriated utilization of \$3,846,000.00, \$683,000.00, and \$595,000.00 of fund balance from the Current Fund, Water Utility Operating Fund, and the Sewer Utility Operating Fund, respectively.

I. JOINT INSURANCE POOL

The City is a member of the New Jersey Self-Insurers Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund ("MEL"). These funds provide the City with the following coverage:

Liability – Auto, General & Workers' Compensation	Excess Public Officials Bond
Property – Building, Collision & Boiler/Machinery	Public Officials Liability
Public Employee Dishonesty Bond	Employment Liability
Monies and Securities	

Contributions to the Fund, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations. Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. The City's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance (MEL) for claims in excess of the Fund's insured limits for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2023, which can be obtained from:

New Jersey Municipal Self-Insurers' Joint Insurance Fund
c/o Risk and Loss Managers, Inc.
51 Everett Drive, Suite B-40
West Windsor, New Jersey 08550-5374

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

J. UNEMPLOYMENT COMPENSATION INSURANCE

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, reimbursements to the State for benefits paid, and the ending balance of the City's trust fund for the current and previous two years:

Year	City Contributions	Amount Reimbursed	Ending Balance
2023	\$ 194.11	\$ 26,565.82	\$ 134,692.52
2022	11,747.49	16,434.79	161,064.23
2021	33,240.65	-	165,751.53

K. INTERFUNDS

The following interfunds remained as of December 31, 2023:

Fund	Due from	Due to
Current Fund	\$ 1,063.70	\$ 363,129.70
State/Federal Grant Fund	12,425.67	-
General Capital	234,475.20	-
Trust Other	118,620.83	1.04
Animal Control	-	1,062.66
Water Operating	550,544.38	-
Water Assessment Trust	-	0.71
Water Capital	55,000.00	552,935.67
Sewer Operating	351.91	-
Sewer Assessment Trust	-	1.74
Sewer Capital	-	55,350.17
Total	<u>\$ 972,481.69</u>	<u>\$ 972,481.69</u>

The purpose of these interfunds is short-term borrowings.

L. RISK MANAGEMENT

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

The City, for the year 2023, has adopted a plan of self-insurance for auto liability, general liability and workers' compensation insurance, and has established the Reserve for Self-Insurance in the Trust Other Fund to account for and finance its related uninsured risks of loss up to \$100,000 per any one claim for auto liability and general liability, and \$150,000 for any one claim for workers' compensation. Qual-Lynx acts as administrator for the plan. Coverage for claims in excess of amounts stipulated is provided by the New Jersey Municipal Self-Insurer's Joint Insurance Fund.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. RISK MANAGEMENT (CONTINUED)

At December 31, 2023, the balance of estimated payable was \$762,657, the amount that the records of the administrator of the plan shows as potential claims. Any additional funds required for claims in excess of the amounts reserved and recorded as liability will be paid and charged to the 2024 or future budgets.

M. SANITARY LANDFILL ESCROW CLOSURE FUND

The City operates a municipal landfill located in the northeast part of the City. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection.

The landfill ceased to be active on February 28, 1990, and was closed. The escrow closure fund was used during 2020 to fund the closure of the landfill in accordance with the landfill's post-closure plan. There was no post-closure activity in 2023. The remaining cash and related reserve in the post-closure related trust fund and bank account is \$7.51 at December 31, 2023.

N. LITIGATION

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

O. GENERAL FIXED ASSETS ACCOUNT GROUP

The following schedule is a summarization of the changes in General Fixed Assets by Source for the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Land and Building Improvements	\$ 12,708,683.07	\$ 778,000.00	\$ -	\$ 13,486,683.07
Property Held for Redevelopment	190,324.52	-	-	190,324.52
Furniture, Vehicles and Equipment	8,761,500.36	1,115,057.01	-	9,876,557.37
Total	<u>\$ 21,660,507.95</u>	<u>\$ 1,893,057.01</u>	<u>\$ -</u>	<u>\$ 23,553,564.96</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

P. CAPITAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City on the capital fund, water utility capital fund, and sewer utility capital fund are general obligation serial bonds, backed by the full faith and credit of the City. At December 31, 2023, the City had general obligation serial bonds payable totaling \$7,675,000.

Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance. Such notes are authorized by a resolution adopted by the governing body. At December 31, 2023, the City had bond anticipation notes payable totaling \$1,000,000.

The City also has permanent and interim loans payable through the New Jersey Infrastructure Bank ("NJIB") Infrastructure Financing Program for various water and sewer utility capital projects. Under the NJIB program the borrowers benefit from a loan formula under which participants borrow a percentage of cost from the State Revolving Fund maintained by the New Jersey Department of Environmental Protection at zero interest and the remaining percentage from the Trust at the same interest rate the Trust pays on its bonds. At December 31, 2023, the City had permanent loans payable of \$2,624,633 and interim loans payable totaling \$1,990,596. See the tables below for the summary of capital debt.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Summary of Municipal Debt Issued			
General Bonds and Notes	\$ 7,130,000.00	\$ 7,350,000.00	\$ 7,376,000.00
Water Utility Bonds and Notes	3,012,560.36	2,950,029.00	3,127,497.00
Sewer Utility Bonds and Notes	3,147,669.09	3,255,097.00	4,050,290.00
Total Issued	<u>13,290,229.45</u>	<u>13,555,126.00</u>	<u>14,553,787.00</u>
Authorized but not Issued			
General Bonds and Notes	3,866,887.31	3,548,187.00	3,301,669.00
Water Utility Bonds and Notes	2,496,058.12	2,237,058.00	267,058.00
Sewer Utility Bonds and Notes	469,709.11	500,709.00	340,000.00
Total Authorized but not Issued	<u>6,832,654.54</u>	<u>6,285,954.00</u>	<u>3,908,727.00</u>
Total Issued and Authorized but not Issued	<u>20,122,883.99</u>	<u>19,841,080.00</u>	<u>18,462,514.00</u>
Deductions			
Self-Liquidating Debt	9,125,996.68	8,942,893.00	7,784,845.00
Net Debt	<u>\$ 10,996,887.31</u>	<u>\$ 10,898,187.00</u>	<u>\$ 10,677,669.00</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

P. CAPITAL DEBT (CONTINUED)

General Capital Fund
General Serial Bonds

Year	Principal	Interest	Total
2024	\$ 665,000.00	\$ 232,881.25	\$ 897,881.25
2025	670,000.00	211,193.75	881,193.75
2026	680,000.00	189,131.25	869,131.25
2027	685,000.00	166,693.75	851,693.75
2028	695,000.00	143,350.00	838,350.00
2029-2033	1,930,000.00	445,344.00	2,375,344.00
2034-2037	1,415,000.00	115,900.00	1,530,900.00
Total	<u>\$ 6,740,000.00</u>	<u>\$ 1,504,494.00</u>	<u>\$ 8,244,494.00</u>

Sewer Utility Fund Capital Fund
General Serial Bonds

Year	Principal	Interest	Total
2024	\$ 110,000.00	\$ 21,000.00	\$ 131,000.00
2025	115,000.00	15,375.00	130,375.00
2026	120,000.00	9,500.00	129,500.00
2027	130,000.00	3,250.00	133,250.00
Total	<u>\$ 475,000.00</u>	<u>\$ 49,125.00</u>	<u>\$ 524,125.00</u>

NJIB Loan

Year	Principal	Interest	Total
2024	\$ 471,173.26	\$ 51,140.00	\$ 522,313.26
2025	477,236.74	38,990.00	516,226.74
2026	334,927.50	26,440.00	361,367.50
2027	143,924.14	14,490.00	158,414.14
2028	31,924.00	9,200.00	41,124.00
2029-2033	179,620.56	41,800.00	221,420.56
2034-2038	184,620.70	32,000.00	216,620.70
2039-2043	189,620.70	22,000.00	211,620.70
2044-2048	209,621.49	9,000.00	218,621.49
Total	<u>\$ 2,222,669.09</u>	<u>\$ 245,060.00</u>	<u>\$ 2,467,729.09</u>

Water Utility Capital Fund
General Serial Bonds

Year	Principal	Interest	Total
2024	\$ 90,000.00	\$ 14,837.50	\$ 104,837.50
2025	95,000.00	11,862.50	106,862.50
2026	95,000.00	8,762.50	103,762.50
2027	100,000.00	5,606.25	105,606.25
2028	40,000.00	3,000.00	43,000.00
2029	40,000.00	1,000.00	41,000.00
Total	<u>\$ 460,000.00</u>	<u>\$ 45,068.75</u>	<u>\$ 505,068.75</u>

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

P. CAPITAL DEBT (CONTINUED)

<u>NJIB Loan*</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,468.49	\$ 9,928.88	\$ 27,397.37
2025	17,468.49	9,194.68	26,663.17
2026	22,468.49	8,467.94	30,936.43
2027	22,468.49	7,527.68	29,996.17
2028	22,468.49	4,979.00	27,447.49
2029-2033	115,342.45	22,272.00	137,614.45
2034-2038	129,342.45	10,074.00	139,416.45
2039-2040	54,937.01	1,300.00	56,237.01
Total	<u>\$ 401,964.36</u>	<u>\$ 73,744.18</u>	<u>\$ 475,708.54</u>

*Excludes \$1,990,596 interim loan payable. See loan details below.

Calculation of “Self-Liquidating Purpose” Water Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest & Other Investment Income & Other Charges for the Year		\$3,122,357
Deductions:		
Operating & Maintenance Cost	\$2,417,183	
Debt Service Per Water Utility Fund	<u>125,497</u>	<u>2,542,680</u>
Excess in Revenue		<u>\$ 579,677</u>

Calculation of “Self-Liquidating Purpose” Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest & Other Investment Income & Other Charges for the Year		\$3,793,311
Deductions:		
Operating & Maintenance Cost	\$2,916,430	
Debt Service Per Water Utility Fund	<u>642,095</u>	<u>3,558,525</u>
Excess in Revenue		<u>\$ 234,786</u>

Interim Loan – New Jersey Infrastructure

On November 12, 2020, the City was approved for an interest free Interim Loan through NJIB in the amount of \$1,990,596. The loan proceeds will be utilized towards the funding of Water Plant improvements and replacement of water meters. The loans are not due for repayment until project completion and a permanent NJIB loan is issued. As of December 31, 2023, the balance of the Interim Loan is \$1,990,596.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

Q. CAPITAL DEBT REFUNDING

On June 6, 2006, the New Jersey Environmental Infrastructure Trust ("NJEIT") refunded Series 1999 Bonds of which the City had \$695,000 outstanding as of the date of the refunding. As a result, NJEIT defeased \$35,000 in outstanding principal of the City which also resulted in a reduction of \$35,171 in future interest expense.

On March 15, 2011, the Burlington County Bridge Commission ("BCBC") refunded Series 2002 Bonds of which the City had \$3,862,000 outstanding as of the date of the refunding. As a result, BCBC defeased \$25,000 in outstanding principal of the City which also resulted in a reduction of \$83,805 in future interest expense.

During the fiscal year ended December 31, 2015, the City did not utilize the entire funding portion of the 2008A NJEIT loan and the NJEIT forgave \$1,057,616 of the City's loan. \$500,000 was forgiven towards the Trust Loan and \$557,616 was forgiven towards the Trust Fund Loan.

On May 11, 2016, the NJEIT refunded Series 2008A Bonds of which the City had \$2,055,245 outstanding as of the date of the refunding. As a result, NJEIT defeased \$202,000 in outstanding principal of the City which also resulted in a reduction of \$150,209 in future interest expense.

R. LEASE AND SUBSCRIPTION BASED IT AGREEMENTS

The City leases multiple copiers with De Lage Landed Financial Services and Canon Financial Services for varying interest rates. The lease agreements expired in prior years. The City has been paying on a month-to-month basis and payments for the year 2023 were \$15,729.51. The City also leases multiple vehicles through Enterprise FM Trust. The City payments for the year 2023 were \$33,459.44. Lastly, the City has multiple information technology subscriptions with multiple vendors. The City payments on these agreements for the year 2023 were \$15,963.90. Each of these agreements qualify as leases or subscription-based IT agreements under GASB Statements number 87 and 96, respectively. Implementation of these standards was not required under the basis of accounting promulgated by the Division.

**CITY OF BURLINGTON
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

S. TAX ABATEMENT AND PAYMENT IN LIEU OF TAXES

The City has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represents the City's most significant tax abatement agreements:

Program/Entity Name	PILOT 2023 Billing	PILOT 2023 Collection
Pearl St. Burlington Urban Renewal, LLC	\$ 11,349.97	\$ 11,349.97
High St. Burlington Urban Renewal, LLC	7,929.19	7,929.19
Catholic Charities	2,982.37	2,982.37
Burlington County Bridge Commission	5,306.00	5,306.00
Peron Pearl Urban Renewal, LLC	377,271.96	377,271.96
Matrix Burlington River Road North, LLC	501,572.94	501,572.94
NJHMFA - The Mill-Ingerman	28,711.00	28,711.00
NJHMFA - Burlington Housing Authority	38,115.00	38,115.00
Other	9,076.60	9,076.60
Total	<u>\$ 982,315.03</u>	<u>\$ 982,315.03</u>

T. SUBSEQUENT EVENTS

The City has evaluated all subsequent events occurring after December 31, 2023, through October 9, 2024, which is the date the financial statements were available to be issued. No material matters were noted requiring disclosure in the current financial statements.

APPENDIX C

FORM OF BOND COUNSEL OPINION



PARKER McCAY

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P.O. Box 5054
Mount Laurel, New Jersey 08054-5054

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June 5, 2025

Mayor and Common Council
of the City of Burlington
525 High Street
Burlington, New Jersey

**RE: \$9,678,000 CITY OF BURLINGTON, COUNTY OF BURLINGTON, NEW
JERSEY, BOND ANTICIPATION NOTES OF 2025, SERIES A**

Mayor and Council Members:

We have served as Bond Counsel to the City of Burlington, County of Burlington, New Jersey ("City"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes"). The Notes consist of: (i) \$4,440,500 principal amount of General Improvement Notes; (ii) \$1,909,900 principal amount of Water Utility Notes; and (iii) \$3,327,600 principal amount of Sewer Utility Notes.

The Notes are issued 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) bond ordinances 01-2012; 02-2012; 03-2014; 01-2015; 03-2016; 03-2017; 05-2017; 01-2018; 03-2018; 02-2019; 01-2020; 02-2020; 04-2020; 01-2022; 02-2022; 03-2022; 04-2022; 06-2022, as amended by 28-2024; 01-2023; 01-2024; 02-2024; 03-2024; 05-2024; and 06-2024, each duly and finally adopted by the Common Council of the City (collectively, the "Bond Ordinances"), and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the City on May 21, 2025 ("Award Certificate").

The Notes are dated June 5, 2025 and mature on June 4, 2026. The Notes are issued in registered book-entry only form without coupons and are not subject to redemption prior to maturity. The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances.

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

COUNSEL WHEN IT MATTERS.SM

Mount Laurel, New Jersey | Hamilton, New Jersey | Camden, New Jersey



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

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

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

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

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

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

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

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

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset



securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

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

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

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

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

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

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we



PARKER McCAY

Mayor and Common Council
of the City of Burlington
June 5, 2025
Page 4

assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

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

Very truly yours,

APPENDIX D

FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT

INFORMATION REPORTING UNDERTAKING AGREEMENT

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

ISSUE: \$9,678,000 Bond Anticipation Notes of 2025, Series A
(Non-Callable) ("Notes")

DATED: June 5, 2025

CUSIP: 121565FF7

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

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

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

¹ An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. Incurrence of a financial obligation² of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

² The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

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

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

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 5th day of June, 2025.

ISSUER:

**CITY OF BURLINGTON, COUNTY OF
BURLINGTON, NEW JERSEY**

By: _____
TARA KRUEGER,
Chief Financial Officer