

OFFICIAL STATEMENT DATED JANUARY 24, 2023

NEW ISSUE (BOOK-ENTRY ONLY)

RATING: NOT RATED

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City of Long Branch, in the County of Monmouth, State of New Jersey (the "City") with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX MATTERS" herein.

**CITY OF LONG BRANCH
IN THE COUNTY OF MONMOUTH
STATE OF NEW JERSEY
\$8,629,000
BOND ANTICIPATION NOTES, SERIES 2023
(BANK QUALIFIED)**

NON-CALLABLE

Dated: Date of Delivery

Due: January 30, 2024

Coupon: 5.50%

Yield: 2.80%

CUSIP*: 542620RC5

The \$8,629,000 aggregate principal amount of Bond Anticipation Notes, Series 2023 (the "Notes") are general obligations of the City of Long Branch, in the County of Monmouth, State of New Jersey (the "City"), payable in the first instance from the proceeds of the sale of bonds or notes issued in anticipation of bonds, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property within the City for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Notes will be issued in fully registered book-entry only form 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, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry only form in the principal amount of \$1,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required.

The Notes will bear interest at the rate set forth above, commencing on their date of delivery. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity thereof as set forth above.

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. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented; and (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth herein, approved by the Mayor, and published as required by law.

The Notes are being issued to (i) refund, on a current basis, a \$4,029,000 principal portion of prior bond anticipation notes issued in the aggregate principal amount of \$5,370,000 on February 1, 2022 and maturing on January 31, 2023 (the "Prior Notes") (the remaining balance of the Prior Notes in the amount of \$1,341,000 will be paid with cash on hand and a 2023 budgetary appropriation), and (ii) temporarily finance various acquisitions and improvements in the amount of \$4,600,000, including paying costs associated with the issuance of the Notes.

The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the City.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, acting as Bond Counsel to the City, and certain other conditions. NW Financial Group, LLC, Hoboken, New Jersey has served as Municipal Advisor to the City in connection with the issuance of the Notes. Certain legal matters will be passed upon for the City by the City Attorney, Louis N. Rainone, Esq. of Rainone Coughlin Minchello, Iselin, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about January 30, 2023.

PIPER | SANDLER

**"CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the City does not make any representations with respect to such number or undertake any responsibility for its 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 various subsequent actions, including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

**CITY OF LONG BRANCH
IN THE COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

MAYOR

John Pallone

CITY COUNCIL

Rose Widdis
Dr. Mary Jane Celli
Bill Dangler
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MUNICIPAL ADVISOR

NW Financial Group, LLC
Hoboken, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the City of Long Branch, in the County of Monmouth, State of New Jersey (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 City.

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 by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information contained herein has been provided by the City, The Depository Trust Company, New York, New York ("DTC") and other sources deemed reliable by the City; however, no representation or warranty is made as to its accuracy or completeness and, as to the information from sources other than the City, such information is not to be construed as a representation or warranty by the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create an implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The City has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, 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. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information included herein, will necessarily continue or be repeated in the future.

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

In order to facilitate the distribution of the Notes, the Underwriter (as defined herein) may engage in transactions intended to stabilize the 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. The price at which the Notes are offered to the public by the Underwriter and the yield resulting therefrom may vary from the initial public offering price or yield on the cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering price to dealers and others.

The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
OF THE
CITY OF LONG BRANCH
IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY**

**RELATING TO
\$8,629,000
BOND ANTICIPATION NOTES, SERIES 2023**

NON-CALLABLE

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of Long Branch (the "City"), in the County of Monmouth (the "County"), State of New Jersey (the "State"), in connection with the offering, sale and issuance of \$8,629,000 aggregate principal amount of Bond Anticipation Notes, Series 2023 (the "Notes") of the City. This Official Statement, which includes the cover page and appendices attached hereto, has been authorized by the City Council of the City, executed by and on behalf of the City by its Chief Financial Officer, and is to be distributed in connection with the offering and sale of the Notes.

This Official Statement contains specific information relating to the Notes, including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the City.

DESCRIPTION OF THE NOTES

General Description

The Notes shall be dated the date of delivery thereof and shall bear interest at the rate as indicated on the front cover page of this Official Statement, payable upon the maturity date thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry only form 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 of the Notes by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required, 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 certificate will be on deposit with DTC. 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 and Indirect Participants, which will in turn remit such payments to the beneficial owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

The Notes are not subject to redemption prior to their stated date of maturity.

Authorization for the Issuance of the Notes

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); and (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the chart on the following page under the subheading "Purpose of the Notes", approved by the Mayor, and published as required by law.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the City. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to (i) refund, on a current basis, a \$4,029,000 principal portion of prior bond anticipation notes issued in the aggregate principal amount of \$5,370,000 on February 1, 2022 and maturing on January 31, 2023 (the "Prior Notes") (the remaining balance of the Prior Notes in the amount of \$1,341,000 will be paid with cash on hand and a 2023 budgetary appropriation) and (ii) temporarily finance various acquisitions and improvements in the amount of \$4,600,000, including paying costs associated with the issuance of the Notes.

The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by bond ordinances duly adopted by the City, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be issued for such purposes. The bond ordinances are as follows:

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\$8,629,000
Bond Anticipation Notes, Series 2023

Ordinance Number	Description and Date of Final Adoption	Amount to be Issued
9-13	Phase I improvements to the oceanfront boardwalk between Morris and Brighton Avenues, finally adopted July 19, 2013	\$ 432,000
25-16	Improvements to Manhasset Creek Park Phase 3, finally adopted September 27, 2016	264,000
24-21	Various 2021 capital acquisitions and improvements, finally adopted December 22, 2021	3,333,000
28-22	Various 2022 capital acquisitions and improvements, finally adopted December 28, 2022	<u>4,600,000</u>
TOTAL:		<u>\$8,629,000</u>

Payment of Notes

The Notes are general obligations of the City for which the full faith and credit of the City will be pledged. The City is authorized and required by law to levy *ad valorem* taxes on all taxable property located within the City for the payment of principal of and interest on the Notes without limitation as to rate or amount.

SECURITY AND PAYMENT FOR THE NOTES

The Notes are valid and legally binding general obligations of the City for which the full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on the Notes. Unless otherwise paid from other sources, the City has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property located within the City for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The City is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State or any county, municipality or political subdivision thereof, other than the City.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the City as of the date hereof.

MARKET PROTECTION

The City does not plan on issuing any additional bond anticipation notes and/or bonds in the next 90 days.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests 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 Note certificate will be issued for the Notes in the aggregate principal amount of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

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

Purchases of the 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 the Notes ("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 Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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. For example, 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "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 the 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 the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying 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 on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Paying Agent, upon direction of the City, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Note certificate 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.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the City or Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the City or Paying Agent for such purposes only upon the surrender thereof to the City or Paying Agent together with the duly executed assignment in form satisfactory to the City or Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the City or Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. Interest on the Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The City has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of City debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The City is not required to submit the proposed incurrence of indebtedness to a public referendum.

The City, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the City Council and, if applicable, approval by the Mayor prior to publication. The Local Bond Law requires publication and posting of the bond ordinance or a summary thereof. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the City.

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in either serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and those improvements involving certain State grants, a five percent (5%) cash down payment of the amount of bonds and notes authorized must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the City are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the City) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter unless an amount of such notes at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the City, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued. The City has not issued tax anticipation notes during the last ten (10) years.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, 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. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds. If the refunding bonds are issued in accordance with N.J.A.C. 5:30-2.5, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within then (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the City is permitted to authorize. The authorized bonded indebtedness of a local unit is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the City for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuations by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" below.

As shown in APPENDIX A, the City has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the City may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the City and that the 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 services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the City has not exceeded its debt limit.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

The Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of

Audit", which must be completed within six (6) months (June 30) after the close of the City's fiscal year (December 31), includes recommendations for improvement of the City's financial procedures. The audit report must also be filed with the City Clerk and be available for review during regular business hours and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the City Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principles in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An unaudited annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. Such Annual Financial Statement reflects the results of operations for the year of the current and utility funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire Annual Financial Statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America; (b) government money market mutual funds which invest in securities permitted under the statute; (c) bonds of certain federal government agencies having a maturity date not greater than 397 days from the date of purchase; (d) bonds or other obligations of the particular municipality or school district of which the local unit is a part or within which the school district is located; and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

DEBT INFORMATION OF THE CITY

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the City, the City must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the City Clerk. This report is made under oath and states the authorized, issued and unissued debt of the City as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the City's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the City conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is

followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the City does not record obligations for accumulated unused vacation and sick pay.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the City, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit must examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serve to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year the City's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. See "CAPITAL IMPROVEMENT PROGRAM" herein.

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

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally

granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow “eligible” and “qualifying” municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the City was not eligible for local examination of its budget in 2022. The City adopted its 2022 budget in accordance with the procedures described under the heading entitled, “FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)”.

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Limitations on Expenditures (“Cap Law”) (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the “Cap Law” (the “Cap Law”). The Cap Law provides that the City shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the City may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the City for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year’s final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored “CAP” banking to the Local Budget Law. Municipalities are permitted to appropriate available “CAP Bank” in either of the next two (2) succeeding years’ final appropriations. The City utilized none of its “Cap Bank” in its 2022 budget. The City’s 2022 budget was adopted on August 10, 2022. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “CAP”.

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care costs in excess of two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division of Local Government Services has advised that counties and municipalities must comply with both budget “CAP” and the tax levy limitation. Neither the tax levy limitation nor the “CAP” law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes, including the Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the City, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing

or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in a provision of the Local Budget Law, N.J.S.A. 40A:4-46, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1, -55.2, -55.3. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism for local units. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 provides limits for the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts 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 the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{rcl}
 \text{Total of Local, County,} & & \\
 \text{and School Levies} & - \text{ Anticipated Revenues} & = \text{Cash Required from Taxes to Support} \\
 & & \text{Local Municipal Budget and Other Taxes} \\
 \\
 \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes} & = & \text{Amount to be} \\
 \text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)} & & \text{Raised by} \\
 & & \text{Taxation}
 \end{array}$$

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o 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."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the City must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program of a local unit must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

COVID-19 RISK FACTORS

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. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State of New Jersey declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which had spread throughout the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which alter the behavior of businesses and people, have had and may continue to have impacts on regional, state and local economies. The public health emergency was terminated on June 4, 2021, but the state of emergency remained in effect via Executive Order 244. However, on January 11, 2022, the Governor restated the existing state of emergency and reinstated a public health emergency via Executive Order 280, effective immediately, in order to ensure that the State was able to respond to the threat of COVID-19 and the Omicron variant. The public health emergency declaration, which allows existing orders to continue in effect, was set to expire thirty (30) days from January 11, 2022, unless renewed. On February 10, 2022, the Governor signed Executive Order 288 extending the public health emergency declared on January 11, 2022; however, the public health emergency was terminated on March 7, 2022 via Executive Order 292, while the existing state of emergency remains in effect. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): Specifically, Chapter 74 authorizes special emergency appropriations for: (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed

by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five (5) year period may be extended to up to ten (10) years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five (5) year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings related to the COVID-19 pandemic. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19. The City does not expect to issue special emergency notes in order to address any financial impacts caused by the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan includes various forms of financial relief, including an up to \$1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the City.

The City received \$5,924,454.50 in Federal aid under the Plan in 2021 and received another \$5,924,454.50 in 2022. The deadline to spend the funds is December 31, 2024. Generally, according to the Plan, the allowable use of the funds to be provided to the City include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the City that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the City prior to the emergency; and (d) to make necessary investments in water, sewer or broadband infrastructure.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the City, the local school district and the 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 of taxes to fund the budgets. The statutory provisions for the assessment of property, the 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 New Jersey for various special services rendered to the properties located within the special taxing district.

For calendar year municipalities, tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous year's billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the City Attorney (as hereinafter defined) for in rem foreclosures in order to acquire title to these properties.

The provisions of Chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review or the 1st day of May for municipalities that have conducted revaluations. The county Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX MATTERS

Federal Income Taxation

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Notes in order for the interest on the Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Notes. The City will represent in its tax certificate that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the representations and covenants made by the City in its tax certificate described above, interest on the Notes is not includable in gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Notes are "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3) of the Code.

Additional Federal Income Tax Consequences Relating to the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Notes, and any gain on the sale thereof, are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the federal and State tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes or the marketability of the Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.

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 institutional 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, moneys or other funds belonging to them or within their control in any obligations of the City, including the Notes, and such Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF NOTES

It is understood that the rights of the holders of the Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

The undertakings of the City should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the City, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

THE CITY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE AND THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE CITY EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the City defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the City in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the City is so in default. Once a judgment is entered by the Superior Court to the effect that the City is in default, the Municipal Finance Commission (the "Commission") would become operative in the City. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE CITY

Upon the delivery of the Notes, the original purchaser of the Notes shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the City, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in or contemplated by this Official Statement. In addition, the original purchaser of the Notes shall also receive a certificate in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Notes, and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the principal of the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the City, nor the title of any of the said officers to their respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All 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 as APPENDIX C hereto. Certain legal matters with respect to the Notes will be passed on for the City by its City Attorney, Louis N. Rainone, Esq., of Rainone Coughlin Minchello, Iselin, New Jersey (the "City Attorney").

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Michael Martin, Chief Financial Officer, 344 Broadway, Long Branch, New Jersey 07740, (732) 571-5653; Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149; or Nick Wilechansky, NW Financial Group, LLC, 2 Hudson Place, Hoboken, New Jersey 07030, (201) 655-9276.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey has served as municipal advisor to the City with respect to the issuance of the Notes (the "Municipal Advisor"). 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 this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the City Attorney, after due inquiry, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes or the levy or 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 collection of taxes to pay the principal of and interest on the Notes, or any action contesting the corporate existence or the boundaries of the City or the title of any of the present officers of the City. Further, to the knowledge of the City Attorney, there is no litigation presently pending or threatened against the City that, in the opinion of the City Attorney, would have a material adverse impact on the financial condition of the City if adversely decided. The City Attorney will provide an opinion or certificate to such effect upon the closing of the Notes.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS

The City has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes (the "Notices"), as set forth in Section (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. The Notices will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("EMMA") system. The specific nature of the Notices will be detailed in a certificate (the "Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer in the form appearing in APPENDIX D hereto, such Disclosure Certificate to be delivered concurrently with the delivery of the Notes, as required under its obligations.

The City has entered into prior undertakings to provide continuing disclosure for certain outstanding bond issues. The City appointed Phoenix Advisors, LLC in January 2015 to serve as dissemination agent.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement and has participated in the collection of financial, statistical or demographic information contained in this Official Statement, but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled "MUNICIPAL ADVISOR" and "COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS" (as to the second paragraph only) and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

Suplee, Clooney & Company, Westfield, New Jersey, the Auditor to the City, has participated in the preparation of APPENDIX A to this Official Statement and in the collection of financial, statistical or demographic information contained in this Official Statement, but has not verified the accuracy, completeness,

or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. The City Auditor also takes responsibility for the audited financial statements described below under the heading entitled "FINANCIAL STATEMENTS" and contained in APPENDIX B hereto.

The City Attorney has not participated in the preparation of the information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the heading entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

UNDERWRITING

The Notes have been purchased from the City at a public sale by Piper Sandler & Co., New York, New York (the "Underwriter") at a price of \$8,842,912.91. The purchase price of the Notes reflects the par amount of Notes (\$8,629,000.00), plus a bid premium of (\$213,912.91).

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The financial statements of the City as of and for the years ended December 31, 2021 and 2020, together with the Notes to the Financial Statements for the years then ended, are presented in APPENDIX B to this Official Statement. The financial statements referred to above have been audited by Suplee, Clooney & Company, Westfield, New Jersey (the "City Auditor"), as stated in its Independent Auditor's Report appearing in APPENDIX B hereto.

MISCELLANEOUS

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

**CITY OF LONG BRANCH,
IN THE COUNTY OF MONMOUTH,
STATE OF NEW JERSEY**

/s/ Michael Martin
MICHAEL MARTIN,
Chief Financial Officer

DATED: January 24, 2023

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APPENDIX A

**CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION
CONCERNING THE CITY OF LONG BRANCH**

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INFORMATION REGARDING THE CITY¹

The following material presents certain economic and demographic information of the City of Long Branch (the “City”), in the County of Monmouth (the “County”), State of New Jersey (the “State”).

General Information

The City was granted its charter on May 17, 1904. The City is located approximately 30 miles in a direct line south of New York City and extends approximately five miles along the Atlantic seafront.

In recent years, the City has experienced a tremendous revitalization of its properties with the development of new luxury residential condominiums and town houses. Properties once abandoned and vacant have been renovated as construction projects for hotels and condominium complexes. With a population of approximately 31,941, the City is largely a residential community and a distribution center for business that serves the surrounding area.

Local Government

The City is managed under a Mayor-Council form of government pursuant to Plan A of the Faulkner Act, as amended and supplemented. The Mayor and the five members of the City Council are elected for four-year terms. The Mayor and each Council member are elected at large by the people of the City. A Business Administrator, appointed by the Mayor and Council, handles day-to-day operations.

Pension and Retirement Systems

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

The Public Employees’ Retirement System (“PERS”) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the

¹ Source: The City, unless otherwise indicated.

State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

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

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Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>City</u>				
2021	16,700	15,700	1,700	5.8%
2020	15,995	14,599	1,396	8.7%
2019	16,195	15,632	563	3.5%
2018	16,015	15,386	629	3.9%
2017	16,078	15,373	705	4.4%
<u>County</u>				
2021	340,500	321,700	18,800	5.5%
2020	327,712	298,748	28,964	8.8%
2019	330,003	319,888	10,115	3.1%
2018	325,921	314,447	11,474	3.5%
2017	326,136	313,015	13,121	4.0%
<u>State</u>				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,495,200	4,055,300	439,900	9.8%
2019	4,493,127	4,333,334	159,793	3.6%
2018	4,432,520	4,250,795	181,725	4.1%
2017	4,454,681	4,248,741	205,940	4.6%

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

Income (as of 2019)

	<u>City</u>	<u>County</u>	<u>State</u>
Median Household Income	\$59,892	\$99,733	\$82,545
Median Family Income	65,987	124,778	102,260
Per Capita Income	33,238	51,700	42,745

Source: US Bureau of the Census, 2019 American Community Survey 5-Year Estimates

Population

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

<u>Year</u>	<u>City</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2020	31,667	3.09%	643,615	2.03%	9,288,994	5.65%
2010	30,719	-1.98	630,380	2.45	8,791,894	4.49
2000	31,340	9.36	615,301	11.24	8,414,350	8.85
1990	28,658	-3.89	553,124	9.93	7,730,188	4.96
1980	29,819	-6.15	503,173	8.95	7,365,001	2.75

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

Largest Taxpayers

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

<u>Taxpayers</u>	<u>2021 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Pier Village I Urban Renewal Co., LLC	\$108,388,200	2.00%
AFP 104 Corp.	54,498,300	1.01%
Home Properties Pleasure Bay, LLC	32,272,000	0.60%
Mark-Built Properties at Long Branch	28,222,600	0.52%
Pier Village II Urban Renewal Co., LLC	23,980,500	0.44%
Takanasee Developers, LLC	20,199,700	0.37%
385 Ocean Blvd, LLC	19,589,000	0.36%
Ocean View Tower Assoc.	19,351,500	0.36%
981 Beachfront LLC	18,100,000	0.33%
Cayre, Kenneth & Lillian, LLC	<u>17,357,000</u>	<u>0.32%</u>
Total	<u>\$341,958,800</u>	<u>6.32%</u>

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

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Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2021	\$108,896,223	\$107,216,031	98.45%
2020	106,712,806	105,189,694	98.57%
2019	100,245,340	98,368,503	98.13%
2018	96,855,743	95,395,746	98.49%
2017	93,651,969	91,850,024	98.08%

Source: Annual Audit Reports of the City

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2021	\$102,927	\$1,678,283	\$1,781,210	1.64%
2020	94,067	1,494,681	1,588,747	1.49%
2019	85,610	1,905,771	1,991,381	1.99%
2018	78,477	1,446,167	1,524,644	1.57%
2017	82,069	1,366,993	1,449,062	1.55%

Source: Annual Audit Reports of the City

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2021	\$6,022,700
2020	6,022,700
2019	6,022,700
2018	6,201,300
2017	6,269,600

Source: Annual Audit Reports of the City

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

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

		Local			
<u>Year</u>	<u>Municipal</u>	<u>School</u>	<u>County</u>	<u>Total</u>	
2021	\$0.805	\$0.930	\$0.266	\$2.001	
2020	0.854	0.961	0.275	2.090	
2019	0.886	0.962	0.254	2.102	
2018	0.867	0.950	0.297	2.114	
2017	0.867	0.911	0.283	2.061	

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

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2021	\$5,407,753,980	\$6,153,566,204	87.88%	\$0	\$6,153,566,204
2020	5,085,432,500	5,555,421,127	91.54	0	5,555,421,127
2019	4,749,814,120	5,250,153,775	90.47	0	5,250,153,775
2018	4,539,905,160	4,980,696,829	91.15	0	4,980,696,829
2017	4,541,176,800	4,863,635,857	93.37	0	4,532,432,399

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

Classification of Ratables

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2021	\$206,703,100	\$4,317,961,180	\$0	\$525,205,100	\$8,401,100	\$349,483,500	\$5,407,753,980
2020	194,984,600	4,043,550,700	0	501,113,300	8,786,500	336,997,400	5,085,432,500
2019	159,874,900	3,745,379,020	0	508,284,000	8,627,500	327,648,700	4,749,814,120
2018	158,459,800	3,591,578,860	0	460,459,800	8,484,900	320,921,800	4,539,905,160
2017	143,842,200	3,510,356,700	3,365,700	550,499,000	8,434,000	314,416,600	4,530,914,200

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

Financial Operations

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

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Fund Balance Utilized	\$2,900,000	\$3,794,797	\$4,417,134	\$4,417,134	\$4,977,134
Miscellaneous Revenues	12,334,931	12,914,869	12,784,724	10,664,852	14,733,688
Receipts from Delinquent Taxes	1,435,000	1,366,617	1,445,105	1,891,414	1,520,113
Amount to be Raised by Taxation	<u>39,291,191</u>	<u>39,327,094</u>	<u>40,698,831</u>	<u>43,417,220</u>	<u>43,518,975</u>
Total Revenue:	<u>\$55,961,122</u>	<u>\$57,403,377</u>	<u>\$59,345,793</u>	<u>\$60,390,619</u>	<u>\$64,749,911</u>
<u>Appropriations</u>					
General Appropriations	\$45,230,272	\$46,259,543	\$47,324,419	\$48,761,439	\$51,181,457
Operations (Excluded from CAPS)	2,682,776	2,591,533	2,575,072	2,423,527	3,717,405
Deferred Charges and Statutory Expenditures	140,000	140,000	0	0	1,130
Capital Improvement Fund	865,000	913,000	302,000	500,000	515,000
Municipal Debt Service	5,024,510	5,480,737	7,125,738	6,657,090	7,286,355
Reserve for Uncollected Taxes	<u>2,018,564</u>	<u>2,018,564</u>	<u>2,018,564</u>	<u>2,048,564</u>	<u>2,048,564</u>
Total Appropriations:	<u>\$55,961,122</u>	<u>\$57,403,377</u>	<u>\$59,345,793</u>	<u>\$60,390,619</u>	<u>\$64,749,911</u>

Source: Annual Adopted Budgets of the City

Fund Balance

Current Fund

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

<u>Year</u>	<u>Fund Balance - Current Fund</u>	
	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$17,815,532	\$4,977,134
2020	17,665,823	4,977,134
2019	16,057,903	4,417,134
2018	15,188,701	4,417,134
2017	11,733,887	3,794,797

Source: Annual Audit Reports of the City

City Indebtedness as of December 31, 2021

General Purpose Debt

Serial Bonds	\$63,721,000
Bond Anticipation Notes	9,409,000
Bonds and Notes Authorized but Not Issued	25,724,936
Other Bonds, Notes and Loans	<u>479,092</u>
Total:	\$99,334,029

Local School District Debt

Serial Bonds	\$ 5,470,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$5,470,000

Self-Liquidating Debt

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$0

TOTAL GROSS DEBT

\$104,804,029

Less: Statutory Deductions	
General Purpose Debt	\$9,186,248
Local School District Debt	5,470,000
Self-Liquidating Debt	<u>0</u>
Total:	\$13,095,000

TOTAL NET DEBT

\$ 90,147,781

Source: Annual Debt Statement of the City

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Overlapping Debt (as of December 31, 2021)²

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>City Percentage</u>	<u>City Share</u>
Local School District	\$5,470,000	100.00%	\$5,470,000
Long Branch Sewerage Authority	13,191,529	100.00%	13,191,529
County	1,196,250,000	4.23%	<u>50,596,020</u>
Net Indirect Debt			\$69,257,549
Net Direct Debt			<u>104,804,029</u>
Total Net Direct and Indirect Debt			<u>\$174,061,578</u>

Debt Limit

Average Equalized Valuation Basis (2019, 2020, 2021)	\$5,653,047,035
Permitted Debt Limitation (3 1/2%)	197,856,646
Less: Net Debt	<u>90,147,781</u>
Remaining Borrowing Power	<u>\$107,708,865</u>
Percentage of Net Debt to Average Equalized Valuation	1.595%
Gross Debt Per Capita based on 2020 population of 31,667	\$3,310
Net Debt Per Capita based on 2020 population of 31,667	\$2,847

Source: Annual Debt Statement of the City

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the City's annual audit report.

² City percentage of County debt is based on the City's share of total equalized valuation in the County.

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APPENDIX B

FINANCIAL STATEMENTS OF THE CITY OF LONG BRANCH

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SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Long Branch
County of Monmouth
Long Branch, New Jersey 07740

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the City of Long Branch, as of and for the year ended December 31, 2021 and 2020, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the City of Long Branch as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2021 and 2020, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

SUPLEE, CLOONEY & COMPANY

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Long Branch 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with, the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Long Branch's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2022 on our consideration of the City of Long Branch's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Long Branch's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Long Branch's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Robert W. Swisher
Robert W. Swisher, C.P.A., R.M.A

August 17, 2022

"A"

CITY OF LONG BRANCH

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>ASSETS</u>		
Current Fund		
Cash	\$ 35,808,345.32	\$ 26,531,340.16
Cash - Change Fund	1,550.00	1,250.00
	<u>\$ 35,809,895.32</u>	<u>\$ 26,532,590.16</u>
Receivables with Full Reserves:		
Delinquent Property Taxes Receivable	\$ 1,678,283.11	\$ 1,494,680.58
Tax Title Liens Receivable	102,926.98	94,066.53
Property Acquired for Taxes - Assessed Value	6,022,700.00	6,022,700.00
Revenue Accounts Receivable	25,582.59	31,003.97
Interfunds Receivable	<u>572,023.90</u>	<u>335,706.56</u>
	<u>\$ 8,401,516.58</u>	<u>\$ 7,978,157.64</u>
	<u>\$ 44,211,411.90</u>	<u>\$ 34,510,747.80</u>
Grant Fund:		
Grants Receivable	\$ 2,501,407.96	\$ 1,670,169.58
Interfunds Receivable	<u>6,304,794.32</u>	<u>500,572.04</u>
	<u>\$ 8,806,202.28</u>	<u>\$ 2,170,741.62</u>
	<u>\$ 53,017,614.18</u>	<u>\$ 36,681,489.42</u>
Liabilities:		
Appropriation Reserves	\$ 4,001,140.17	\$ 3,711,976.23
Accounts Payable	397,815.31	190,333.45
Encumbrances Payable	1,368,026.22	1,760,326.06
Prepaid Taxes	2,607,088.19	1,689,077.78
Tax Overpayments	86,388.43	64,900.90
Interfunds Payable	6,305,924.32	1,000,572.04
County Taxes Payable	88,515.45	54,177.45
Due to State and Local Agencies	41,829.21	27,213.09
Schedule of Various Reserves	2,363,211.25	363,211.25
Due State of New Jersey - Senior Citizens and Veterans Deductions	1,321.37	2,071.37
Group Term Life Insurance Premiums Payable	<u>2,925.60</u>	<u>2,907.60</u>
	<u>\$ 17,264,185.52</u>	<u>\$ 8,866,767.22</u>
Reserve for Receivables	8,401,516.58	7,978,157.64
Fund Balance	<u>18,545,709.80</u>	<u>17,665,822.94</u>
	<u>\$ 44,211,411.90</u>	<u>\$ 34,510,747.80</u>
Grant Fund:		
Reserve for:		
Grants-Appropriated	\$ 2,206,283.12	\$ 1,231,088.96
Grants-Unappropriated	6,073,564.17	104,911.76
Encumbrances Payable	<u>526,354.99</u>	<u>834,740.90</u>
	<u>8,806,202.28</u>	<u>2,170,741.62</u>
	<u>\$ 53,017,614.18</u>	<u>\$ 36,681,489.42</u>

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	YEAR ENDED DECEMBER <u>31, 2021</u>	YEAR ENDED DECEMBER <u>31, 2020</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 4,977,133.91	\$ 4,417,133.91
Miscellaneous Revenue Anticipated	17,752,461.05	14,140,271.44
Receipts From Delinquent Taxes	1,508,837.98	1,894,084.83
Receipts From Current Taxes	105,216,031.08	105,189,693.78
Non-Budget Revenue	2,861,656.95	596,846.96
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,970,214.15	2,036,525.53
Accounts Payable Cancelled	9,861.02	
Interfunds Returned		200,000.00
<u>Total Income</u>	\$ <u>134,296,196.14</u>	\$ <u>128,474,556.45</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operations Within "CAPS"	\$ 44,523,947.03	\$ 42,510,091.77
Deferred Charges and Statutory		
Expenditures-Municipal	6,657,510.00	6,237,447.02
Operations Excluded From "CAPS"	4,505,421.95	3,239,272.58
Capital Improvements	515,000.00	500,000.00
Municipal Debt Service	7,196,679.47	6,670,766.96
Deferred Charges	1,130.00	
Refund of Prior Years' Revenue		5,129.00
Senior Citizens' and Veterans' Disallowed	3,250.00	250.00
Refund of Prior Years' Tax Revenue - Tax Appeals	51,610.59	62,863.20
County Taxes	14,371,826.92	13,941,819.34
County Share of Added and Omitted Taxes	88,515.45	54,177.45
Local District School Tax	50,279,534.00	48,891,979.00
Interfunds Advanced	236,317.34	335,706.56
Grants Receivable Cancelled	8,432.62	
<u>Total Expenditures</u>	\$ <u>128,439,175.37</u>	\$ <u>122,449,502.88</u>
Excess in Revenue	\$ 5,857,020.77	\$ 6,025,053.57
Fund Balance, January 1	17,665,822.94	16,057,903.28
	\$ <u>23,522,843.71</u>	\$ <u>22,082,956.85</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>4,977,133.91</u>	<u>4,417,133.91</u>
Fund Balance, December 31	\$ <u>18,545,709.80</u>	\$ <u>17,665,822.94</u>

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

		SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS/ DEFICIT
Fund Balance Appropriated	\$	\$	\$	\$
Miscellaneous:				
Licenses:				
Alcoholic Beverage	\$	\$	56,515.00	56,515.00
Other			76,163.00	76,163.00
Fees and Permits:				
Other			537,827.96	537,827.96
Fines and Costs-Municipal Court			437,939.82	437,939.82
Interest and Costs on Taxes			398,893.87	398,893.87
Parking Meters			1,562,043.70	1,562,043.70
Interest on Investments and Deposits			65,666.13	65,666.13
Bathing Beach Fees			1,801,088.00	1,801,088.00
Cable T.V. Franchise Tax			139,407.31	139,407.31
Uniform Fire Safety Code Fees			128,553.00	128,553.00
PILOT Payment			2,827,511.34	2,827,511.34
Consolidated Municipal Property Tax Relief Act			502,030.00	502,030.00
Energy Receipts Tax			3,786,103.00	3,786,103.00
Uniform Construction Code Fees			1,182,324.74	1,182,324.74
West Long Branch Finance Department			71,766.00	71,766.00
West Long Branch Information Technology Dept.			33,293.00	33,293.00
Borough of Deal			85,000.00	85,000.00
Recycling Tonnage Grant			43,931.37	43,931.37
Clean Communities Program			60,980.39	60,980.39
Childhood Lead Exposure Prevention Project		20,750.00	42,500.00	21,750.00
NJDOT FY21 Local Infrastructure Fund		371,331.00	371,331.00	
NJDOT Urban Gateway Enhancement		32,000.00	32,000.00	
2021 Sustainable Jersey Small Grant		20,000.00	20,000.00	
Safe and Secure Communities Program			32,400.00	32,400.00
Monmouth County Office on Aging - Senior' s Program		2,894.00	24,894.00	22,000.00
Edward Bryne Memorial Justice Assistance Grant - 2020			8,775.00	8,775.00
State of NJ Healthy Community Network Grant			10,000.00	10,000.00
County of Monmouth Open Space - Jackson Woods			200,000.00	200,000.00
Statewide Insurance Fund			16,268.00	16,268.00
State of NJ Covid 19 Care Act			142,236.00	142,236.00
State of NJ Covid 19 Care Act		291,042.00	291,042.00	
State of NJ Covid 19 Vaccination Supplemental		50,000.00	50,000.00	
State of NJ DOT Safe Route to School			675,948.00	675,948.00
Uniform Fire Safety Act			30,869.18	30,869.18
Reserve for Premium on Bond Sale (General Capital Reserve)			689,960.00	689,960.00
Municipal Occupancy Tax (Hotel/Motel)			645,572.36	645,572.36
Federal Emergency Management Fund to offset Debt			671,627.88	671,627.88
		788,017.00	17,752,461.05	16,964,444.05
Receipts From Delinquent Taxes			1,508,837.98	1,508,837.98
Property Tax for Support of Municipal Budget				
Appropriations-Local Tax for Municipal Purposes			40,672,913.52	40,672,913.52
Minimum Library Tax			1,851,805.19	1,851,805.19
			42,524,718.71	42,524,718.71
<u>Budget Totals</u>		788,017.00	61,786,017.74	60,998,000.74
Non-Budget Revenues			2,861,656.95	2,861,656.95
	\$	\$	\$	\$
		788,017.00	64,647,674.69	63,859,657.69

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Allocation of Current Tax Collections:	
Collections on a Cash Basis	\$ 107,216,031.08
Less: Reserve for Tax Appeals	<u>2,000,000.00</u>
Revenue From Collections	<u>105,216,031.08</u>
Allocated to:	
School and County Taxes	<u>64,739,876.37</u>
Support of Municipal Budget Appropriations	40,476,154.71
Add: Appropriation Reserve for Uncollected Taxes	<u>2,048,564.00</u>
Amount for Support of Municipal Budget Appropriations	\$ <u><u>42,524,718.71</u></u>
Licenses:	
Clerk	\$ 2,580.00
Board of Health	68,933.00
Police	<u>4,650.00</u>
	\$ <u><u>76,163.00</u></u>
Fees and Permits Other:	
Police Department	\$ 10,149.70
Certificate of Occupancy	180,539.00
Street and Sidewalk Opening	32,000.00
Planning Board	35,076.26
Zoning Board	40,280.00
Board of Health	227,038.00
Tax Collector	870.00
Clerk	<u>11,875.00</u>
	\$ <u><u>537,827.96</u></u>

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Park Fees - Recreation	\$ 314,116.00
Taxi Inspection Fees	5,025.00
Beach Raking Overtime	27,750.00
Tax Assessor Fees	1,170.00
Police Department	2,007.76
PILOT - Long Branch Housing Authority	154,591.00
Public Works Dumpster Rentals	8,542.50
Vehicle Auction Proceeds	37,239.37
Community SVS Contribution	246,922.50
Bid Deposit	4,750.00
Monmouth University Voluntary Pilot Agreement	75,825.00
Senior Citizens and Veterans Administrative Fee	1,775.00
SVC Agreement - Bluffs	21,250.00
West End Concessions	5,808.00
Woodrow Wilson PILOT	28,177.00
Gregory School Urban Renewal PILOT	20,331.65
PILOT - Gregory School NJHMFA	13,600.12
Forfeited Tax Sale Premium	12,500.00
FEMA State of NJ	1,359,445.19
Community Pool	62,242.00
COVID 19 Reimbursement	378,228.07
Safe and Secure Grant Not Budgeted	60,000.00
Miscellaneous	20,360.79
	<hr/>
	\$ <u>2,861,656.95</u>

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
General Administration					
Office of the Chief Executive Mayor					
Salaries and Wages	\$ 71,750.00	\$ 83,750.00	\$ 66,325.99	\$ 17,424.01	\$
Other Expenses	10,500.00	10,500.00	8,011.62	2,488.38	
Office of the Chief Administrator					
Salaries and Wages	451,000.00	451,000.00	441,404.18	9,595.82	
Other Expenses	35,150.00	35,150.00	26,693.59	8,456.41	
Miscellaneous Other Expenses	8,860.00	8,860.00	2,952.19	5,907.81	
Miscellaneous Other Expenses (Green Programs)	3,500.00	3,500.00		3,500.00	
Miscellaneous Other Expenses - MIS	192,357.33	192,357.33	170,083.41	22,273.92	
Miscellaneous Other Expenses - Special Events	145,000.00	145,000.00	119,081.65	25,918.35	
Division of Personnel					
Salaries and Wages	139,400.00	139,400.00	118,753.40	20,646.60	
Other Expenses	2,100.00	2,100.00	1,275.13	824.87	
Central Switchboard					
Salaries and Wages	55,000.00	55,000.00	41,023.49	13,976.51	
Office of Emergency Management					
Salaries and Wages	7,500.00	7,500.00	7,212.49	287.51	
Other Expenses	296,664.00	311,664.00	311,664.00		
Office of the City Council					
Salaries and Wages	17,500.00	17,500.00	13,463.64	4,036.36	
Other Expenses	1,850.00	1,850.00	300.00	1,550.00	
Office of the City Attorney					
Salaries and Wages (Prosecutor/Asst. City Att)	30,000.00	30,000.00	28,850.69	1,149.31	
Other Expenses	455,000.00	455,000.00	439,991.78	15,008.22	
Miscellaneous Other Expenses (Labor Counsel)	125,000.00	125,000.00	70,710.76	54,289.24	
Miscellaneous Other Expenses (Planning Bd. Att)	6,500.00	6,500.00	4,725.00	1,775.00	
Miscellaneous Other Expenses (Zoning Bd. Att)	9,500.00	9,500.00		9,500.00	
Miscellaneous Other Expenses (Prosecutor/Asst. City Att)	1,000.00	1,000.00		1,000.00	
Office of the City Clerk					
Salaries and Wages	291,000.00	221,000.00	202,603.44	18,396.56	
Other Expenses	29,225.00	29,225.00	15,871.99	13,353.01	
Misc. Other Expenses	36,500.00	36,500.00	30,619.65	5,880.35	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
Department of Finance					
Office of the Director					
Salaries and Wages	\$ 178,350.00	\$ 178,350.00	\$ 168,114.27	\$ 10,235.73	\$
Other Expenses	25,000.00	25,000.00	10,761.44	14,238.56	
Division of Accounts and Control					
Salaries and Wages	443,700.00	443,700.00	395,208.66	48,491.34	
Other Expenses	45,175.00	45,175.00	28,109.33	17,065.67	
Misc. Other Expenses (Audit Services)	76,000.00	76,000.00	76,000.00		
Office of the Tax Collector					
Salaries and Wages	238,560.00	238,560.00	228,357.98	10,202.02	
Other Expenses	28,000.00	28,000.00	17,254.28	10,745.72	
Division of Purchasing					
Salaries and Wages	223,380.00	223,380.00	207,182.34	16,197.66	
Other Expenses	11,980.00	11,980.00	373.65	11,606.35	
Central Reproduction					
Other Expenses	6,600.00	6,600.00	3,459.28	3,140.72	
Central Postage					
Other Expenses	72,500.00	72,500.00	67,746.91	4,753.09	
Insurance:					
Employee Group Plan	4,500,000.00	4,500,000.00	4,393,725.12	106,274.88	
Health Benefit Waiver Costs	115,000.00	115,000.00	108,388.30	6,611.70	
General Liability	837,458.00	837,458.00	636,808.25	200,649.75	
Workers Compensation	1,066,520.00	1,066,520.00	990,017.00	76,503.00	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>Department of Public Works</u>					
Office of the Director	\$ 465,630.00	\$ 465,630.00	\$ 434,523.98	\$ 31,106.02	\$
Salaries and Wages	30,000.00	26,500.00	26,239.16	260.84	
Other Expenses					
Division of Street Construction & Maintenance					
Salaries and Wages	1,162,800.00	1,272,800.00	1,202,024.68	70,775.32	
Other Expenses	340,750.00	344,250.00	270,033.23	74,216.77	
Office of the City Engineer					
Other Expenses	360,000.00	360,000.00	340,311.25	19,688.75	
Municipal Garage					
Salaries and Wages	491,640.00	521,640.00	497,713.34	23,926.66	
Other Expenses	496,550.00	496,550.00	496,357.36	192.64	
Division of Parks					
Salaries and Wages	348,840.00	368,840.00	347,258.60	21,581.40	
Other Expenses	60,500.00	60,500.00	59,081.07	1,418.93	
Division of Public Facilities					
Salaries and Wages	1,072,020.00	1,072,020.00	994,328.15	77,691.85	
Other Expenses	258,850.00	258,850.00	258,601.76	248.24	
Division of Solid Waste/Recycling					
Salaries and Wages	1,719,720.00	1,719,720.00	1,566,409.81	153,310.19	
Other Expenses	31,250.00	31,250.00	31,249.24	0.76	
Disposal Costs (Sanitation & Recycling)					
Other Expenses	2,000,000.00	2,000,000.00	1,708,446.09	291,553.91	
<u>Department of the Police Chief</u>					
Office of the Police Chief					
Salaries and Wages	239,000.00	239,000.00	239,000.00		
Other Expenses	9,450.00	9,450.00	9,180.88	269.12	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
Division of Police					
Salaries and Wages	\$ 11,536,000.00	\$ 11,536,000.00	\$ 11,175,639.53	\$ 360,360.47	\$
Other Expenses	797,672.53	854,972.53	838,624.19	16,348.34	
Police Dispatch					
Salaries and Wages	468,425.00	468,425.00	468,425.00		
School Traffic Guards					
Salaries and Wages	194,750.00	194,750.00	194,750.00		
Other Expenses	1,310.00	1,310.00	930.67	379.33	
Traffic Control					
Salaries and Wages	297,250.00	347,250.00	308,632.26	38,617.74	
Other Expenses	32,416.00	32,416.00	29,545.28	2,870.72	
Miscellaneous Other Expenses (Parking Meters)	210,000.00	210,000.00	178,974.58	31,025.42	
Division of Fire					
Salaries and Wages	2,897,267.00	2,977,267.00	2,878,695.21	98,571.79	
Other Expenses	223,955.42	223,955.42	223,146.24	809.18	
Miscellaneous Other Expenses (Chief Honorariums)	4,500.00	4,500.00	2,000.00	2,500.00	
Miscellaneous Other Expenses (Appraisals)	15,000.00	15,000.00	5,500.00	9,500.00	
Fire House Rental	32,100.00	32,100.00	25,281.00	6,819.00	
Miscellaneous Other Expenses	24,000.00	24,000.00	15,410.82	8,589.18	
Contribution to Volunteer First Aid Squads					
Other Expenses	86,000.00	86,000.00	86,000.00		
Uniform Fire Safety					
(Chapter 383, P.L. 1983)					
Salaries and Wages	612,950.00	612,950.00	564,520.52	48,429.48	
Other Expenses	44,600.00	44,600.00	18,917.02	25,682.98	
Miscellaneous Other Expenses	133,150.00	133,150.00	131,867.57	1,282.43	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
Department of Health					
Office of the Director					
Salaries and Wages	\$ 506,350.00	\$ 506,350.00	\$ 482,455.71	\$ 23,894.29	\$
Other Expenses	66,852.00	66,852.00	59,598.35	7,253.65	
Miscellaneous Other Expenses (Contractual)					
Bloodborne Pathogen Immunization	1,200.00	1,200.00		1,200.00	
Animal Control Subsidy (to Trust)	150,000.00	150,000.00		150,000.00	
Public Health Consortium	11,960.00	11,960.00	11,960.00		
<u>Department of Recreation</u>					
Office of the Director					
Salaries and Wages	335,175.00	335,175.00	320,086.33	15,088.67	
Other Expenses	48,800.00	48,800.00	26,489.71	22,310.29	
Miscellaneous Other Expenses	16,150.00	16,150.00	10,553.67	5,596.33	
Miscellaneous Other Expenses (A. Bucky James)					
Bureau of Recreation					
Salaries and Wages	80,975.00	80,975.00	76,177.62	4,797.38	
Other Expenses	47,200.00	47,200.00	45,692.95	1,507.05	
Miscellaneous Other Expenses (Celebrations)	47,500.00	47,500.00	35,576.88	11,923.12	
Bureau of Conservation (Beaches)					
Salaries and Wages	1,208,000.00	1,105,700.00	1,079,560.98	26,139.02	
Other Expenses	223,700.00	223,700.00	221,902.40	1,797.60	
Office of Senior Citizen Activities					
Salaries and Wages	77,000.00	77,000.00	34,294.45	42,705.55	
Other Expenses	36,700.00	36,700.00	36,593.29	106.71	
Environmental Commission					
Other Expenses	6,000.00	6,000.00	5,533.35	466.65	
Miscellaneous - Other Expenses (Matching Funds)	4,000.00	4,000.00		4,000.00	
Office of Cable Television Commission					
Other Expenses	23,600.00	9,600.00	3,590.00	6,010.00	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
Urban Enterprise Zone					
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 59,290.73	\$ 709.27	\$
Other Expenses	3,980.00	3,980.00	3,142.61	837.39	
Long Branch Arts Council					
Other Expenses	21,000.00	1,000.00		1,000.00	
Long Branch Parking Authority					
Other Expenses	2,500.00	2,500.00		2,500.00	
Planning Board					
Other Expenses	8,370.00	8,370.00	552.64	7,817.36	
Miscellaneous Other Expenses (Retainer)	6,000.00	6,000.00		6,000.00	
Zoning Board of Adjustment					
Other Expenses	6,435.00	6,435.00	605.00	5,830.00	
Miscellaneous Other Expenses (Retainer)	12,000.00	12,000.00	9,000.00	3,000.00	
Department of Building & Development					
Office of the Director	133,301.25	133,301.25	124,902.20	8,399.05	
Salaries and Wages	9,055.00	9,055.00	8,651.00	404.00	
Other Expenses	120,000.00				
Miscellaneous Other Expenses (Demolition)					
Office of the Construction Official					
Salaries and Wages	621,150.00	621,150.00	571,576.03	49,573.97	
Other Expenses	58,670.00	60,170.00	25,652.71	34,517.29	
Miscellaneous Other Expenses	172,200.00	172,200.00	138,045.28	34,154.72	
Office of Planning					
Salaries and Wages	219,350.00	219,350.00	201,962.31	17,387.69	
Other Expenses	24,100.00	24,100.00	13,331.06	10,768.94	
Miscellaneous Other Expenses (Redevelopment)	100,000.00				
Office of the Tax Assessor					
Salaries and Wages	323,900.00	323,900.00	299,102.47	24,797.53	
Other Expenses	7,875.00	7,875.00	7,719.36	155.64	
Miscellaneous Other Expenses	69,000.00	69,000.00	43,639.00	25,361.00	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
Municipal Court					
Salaries and Wages	\$ 426,912.50	\$ 426,912.50	\$ 421,715.33	\$ 5,197.17	\$
Other Expenses	181,561.00	181,561.00	162,145.77	19,415.23	
Municipal Public Defender					
Salaries and Wages	22,000.00	22,000.00	21,157.04	842.96	
Salary Adjustments					
Salaries and Wages	50,000.00	50,000.00		50,000.00	
Utilities					
Electricity	235,000.00	235,000.00	224,644.62	10,355.38	
Telephone	185,000.00	185,000.00	166,102.23	18,897.77	
Natural Gas	60,000.00	80,000.00	72,426.85	7,573.15	
Street Lighting	435,000.00	435,000.00	408,172.33	26,827.67	
Fire Hydrant Service	215,000.00	228,000.00	227,504.87	495.13	
Water	70,000.00	87,500.00	84,087.68	3,412.32	
Other (Specify)					
Sewer	20,000.00	20,000.00	11,361.84	8,638.16	
Diesel Fuel	245,000.00	245,000.00	181,955.12	63,044.88	
Gasoline	270,000.00	270,000.00	229,150.25	40,849.75	
Accumulated Leave Compensation					
Salaries and Wages	250,000.00	250,000.00		250,000.00	
<u>TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"</u>	\$ 44,523,947.03	\$ 44,523,947.03	\$ 41,248,405.41	\$ 3,275,541.62	\$

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>					
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 1,628,229.00	\$ 1,539,129.00	\$ 1,539,129.00	\$	\$
Social Security System (O.A.S.I.)	1,145,000.00	1,234,100.00	1,180,722.48	53,377.52	
Police and Firemen's Retirement System of NJ	3,862,281.00	3,862,281.00	3,862,281.00		
Unemployment Insurance	10,000.00	10,000.00	10,000.00		
DCRP	12,000.00	12,000.00	8,942.23	3,057.77	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	\$ 6,657,510.00	\$ 6,657,510.00	\$ 6,601,074.71	\$ 56,435.29	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 51,181,457.03	\$ 51,181,457.03	\$ 47,849,480.12	\$ 3,331,976.91	\$
<u>OPERATIONS-EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library					
Other Expenses	\$ 1,851,805.19	\$ 1,851,805.19	\$ 1,400,611.13	\$ 451,194.06	\$
Disposal Costs (Sanitation & Recycling Other Expenses (Recycling Tax)	50,000.00	50,000.00	50,000.00		
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	\$ 1,901,805.19	\$ 1,901,805.19	\$ 1,450,611.13	\$ 451,194.06	\$
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS:</u>					
Implementation of "911" System					
Monmouth County					
Other Expenses	\$ 147,000.00	\$ 147,000.00	\$ 130,851.00	\$ 16,149.00	\$
West Long Branch Finance Dept.					
Other Expenses	71,766.00	71,766.00	70,496.04	1,269.96	

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS-EXCLUDED FROM "CAPS"</u>					
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS (Continued)</u>					
West Long Branch Information Technology Dept.					
Salaries and Wages	\$ 33,293.00	\$ 33,293.00	\$ 32,402.89	\$ 890.11	\$
Other Expenses					
Borough of Deal	85,000.00	85,000.00	85,000.00		
Salary and Wage					
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	\$ 337,059.00	\$ 337,059.00	\$ 318,749.93	\$ 18,309.07	\$
<u>PUBLIC AND PRIVATE PROGRAMS</u>					
<u>OFFSET BY REVENUES:</u>					
County of Monmouth					
Office on Aging Grant Senior Citizen Program					
County Share	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$	\$
Local Share	244,252.00	247,146.00	247,146.00		
State of New Jersey					
Safe & Secure Grant	32,400.00	32,400.00	32,400.00		
State of New Jersey					
Solid Waste Administration	43,931.37	43,931.37	43,931.37		
Recycling Tonnage Grant					
County of Monmouth					
Open Space Project Jackson Woods	200,000.00	200,000.00	200,000.00		
Office of Justice Programs					
Edward Byrne Memorial Justice Assistance (40A:4-87 +\$9,752.00)	8,775.00	8,775.00	8,775.00		
State of New Jersey DOT Safe Routes to Schools	675,948.00	675,948.00	675,948.00		
State of New Jersey					
Division of Environmental Protection					
Clean Communities	60,980.39	60,980.39	60,980.39		
Statewide Insurance Fund Grant	16,268.00	16,268.00	16,268.00		
NJ DOT Local Aid Infrastructure (40A:4-87 +\$371,331.00)		371,331.00	371,331.00		
State of New Jersey					
HCN Grant	10,000.00	10,000.00	10,000.00		
NJDOT Urban Gateway Enhancement Program (40A:4-87 + \$32,000.00)		32,000.00	32,000.00		

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS-EXCLUDED FROM "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES (CONTINUED):					
NJ Sustainable Jersey Grant (40A:4-87 +\$20,000.00)	\$	\$ 20,000.00	\$ 20,000.00	\$	\$
State of New Jersey					
Covid 19 Grant Fund	142,236.00	433,278.00	433,278.00		
NJ Covid 19 Vaccination Supplemental Fund (40A:4-87 +\$50,000.00)		50,000.00	50,000.00		
Childhood Lead Exposure Prevention Program	21,750.00	42,500.00	42,500.00		
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	\$ 1,478,540.76	\$ 2,266,557.76	\$ 2,266,557.76	\$	\$
TOTAL OPERATIONS-EXCLUDED FROM "CAPS"	\$ 3,717,404.95	\$ 4,505,421.95	\$ 4,035,918.82	\$ 469,503.13	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$	\$
Capital Projects:					
Division of Police Parking Meters	100,000.00	100,000.00		100,000.00	
Division of Police Vehicles and Equipment	115,000.00	115,000.00	111,054.80	3,945.20	
Beach Equipment	100,000.00	100,000.00	49,420.74	50,579.26	
Improvements to City Buildings	100,000.00	100,000.00	54,864.33	45,135.67	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 515,000.00	\$ 515,000.00	\$ 315,339.87	\$ 199,660.13	\$
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 4,735,000.00	\$ 4,735,000.00	\$ 4,735,000.00	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	99,000.00	99,000.00	99,000.00		
Interest on Bonds	2,258,325.69	2,258,325.69	2,168,651.14		89,674.55
Interest on Notes	115,419.00	115,419.00	115,418.49		0.51
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	78,610.00	78,610.00	78,609.84		0.16
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	\$ 7,286,354.69	\$ 7,286,354.69	\$ 7,196,679.47	\$	\$ 89,675.22

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

CITY OF LONG BRANCH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>					
Deferred Charges:					
Special Emergency Authorizations - 5 Years					
Capital Ordinance #25-16 Paydown	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$	\$
Capital Ordinance #18-19 Paydown	130.00	130.00	130.00		
<u>TOTAL DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</u>	<u>\$ 1,130.00</u>	<u>\$ 1,130.00</u>	<u>\$ 1,130.00</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 11,519,889.64</u>	<u>\$ 12,307,906.64</u>	<u>\$ 11,549,068.16</u>	<u>\$ 669,163.26</u>	<u>\$ 89,675.22</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	<u>\$ 62,701,346.67</u>	<u>\$ 63,489,363.67</u>	<u>\$ 59,398,548.28</u>	<u>\$ 4,001,140.17</u>	<u>\$ 89,675.22</u>
	<u>2,048,564.00</u>	<u>2,048,564.00</u>	<u>2,048,564.00</u>		
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL</u>	<u>\$ 64,749,910.67</u>	<u>\$ 65,537,927.67</u>	<u>\$ 61,447,112.28</u>	<u>\$ 4,001,140.17</u>	<u>\$ 89,675.22</u>

Appropriation by 40A:4-87
Budget

\$ 788,017.00
64,749,910.67
\$ 65,537,927.67

Grants Appropriated
Reserve for Uncollected Taxes
Encumbrances Payable
Deferred Charge
Interfund - General Capital Fund
Disbursed
Less: Reimbursed

\$ 2,266,557.76
2,048,564.00
1,368,026.22
1,130.00
56,875,673.13
\$ 62,559,951.11
1,112,838.83
\$ 61,447,112.28

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

"B"

CITY OF LONG BRANCH

TRUST FUND

BALANCE SHEETS-REGULATORY BASIS

	BALANCE DECEMBER 31, 2021	BALANCE DECEMBER 31, 2020
<u>A S S E T S</u>		
Animal Control Fund:		
Cash	\$ 43,473.96	\$ 166,408.43
Trust - Other Fund:		
Cash	\$ 11,695,690.63	\$ 11,220,561.36
Interfund - Current Fund		500,000.00
	<u>11,695,690.63</u>	<u>11,720,561.36</u>
Housing and Community Development Fund:		
Cash	\$ 92,369.57	\$ 33,019.89
Grant Funds Receivable	1,438,010.41	1,157,902.56
	<u>\$ 1,530,379.98</u>	<u>\$ 1,190,922.45</u>
Self Insurance Trust Fund:		
Cash	\$ 771,614.50	\$ 500,066.79
Payroll Fund:		
Cash	\$ 68,503.27	\$ 288,023.47
	<u>\$ 14,109,662.34</u>	<u>\$ 13,865,982.50</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Animal Control Fund:		
Due State of New Jersey	\$ 49.20	\$ 42.60
Encumbrances Payable	17,424.76	35,979.08
Reserve for Animal Control Fund Expenditures	26,000.00	130,386.75
	<u>\$ 43,473.96</u>	<u>\$ 166,408.43</u>
Trust Other Fund:		
Encumbrances Payable	\$ 1,351,421.65	\$ 903,999.12
Due General Capital Fund	1,969,750.00	
Reserve for:		
Miscellaneous Deposits	8,374,518.98	10,816,562.24
	<u>\$ 11,695,690.63</u>	<u>\$ 11,720,561.36</u>
Housing and Community Development Fund:		
Encumbrances Payable	\$ 172,410.15	\$ 225,681.92
Due Current Fund	572,023.90	335,706.56
Grant Fund Reserves	785,945.93	629,533.97
	<u>\$ 1,530,379.98</u>	<u>\$ 1,190,922.45</u>
Self Insurance Trust Fund:		
Encumbrances Payable	\$ 12,059.00	\$ 14,021.23
Reserve for Self Insurance	759,555.50	486,045.56
	<u>\$ 771,614.50</u>	<u>\$ 500,066.79</u>
Payroll Fund:		
Payroll Deductions Payable	\$ 68,503.27	\$ 288,023.47
	<u>\$ 14,109,662.34</u>	<u>\$ 13,865,982.50</u>

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

"C"

CITY OF LONG BRANCH

GENERAL CAPITAL FUND

BALANCE SHEETS-REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
<u>ASSETS</u>		
Cash	\$ 11,702,513.55	\$ 4,783,656.00
Grants Receivable	312,000.00	312,000.00
Interfund - Current Fund	1,130.00	
Interfund - Trust Fund	1,969,750.00	
Deferred Charges to Future Taxation:		
Funded	64,200,092.32	63,051,092.71
Unfunded	<u>27,861,936.42</u>	<u>31,901,066.42</u>
	<u>\$ 106,047,422.29</u>	<u>\$ 100,047,815.13</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Improvement Authorizations:		
Funded	\$ 4,595,690.31	\$ 2,881,566.11
Unfunded	21,886,002.27	23,198,965.10
Serial Bonds Payable	63,721,000.00	62,501,000.00
Green Acres Loan Payable	479,092.32	550,092.71
Bond Anticipation Note Payable	9,409,000.00	5,787,000.00
Various Reserves	597,247.65	1,241,531.55
Capital Improvement Fund	332,938.02	399,938.02
Contracts Payable	5,014,329.67	3,475,599.59
Fund Balance	<u>12,122.05</u>	<u>12,122.05</u>
	<u>\$ 106,047,422.29</u>	<u>\$ 100,047,815.13</u>

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

CITY OF LONG BRANCH

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

Balance, December 31, 2020 and 2021

\$ 12,122.05

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

"D"

CITY OF LONG BRANCH

PUBLIC ASSISTANCE FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
<u>A S S E T S</u>		
Cash	\$ <u>28,983.14</u>	\$ <u>28,983.14</u>
<u>TOTAL ASSETS</u>	\$ <u><u>28,983.14</u></u>	\$ <u><u>28,983.14</u></u>
<u>LIABILITIES AND RESERVE</u>		
Reserve for Expenditures	\$ <u>28,983.14</u>	\$ <u>28,983.14</u>
<u>TOTAL LIABILITIES AND RESERVES</u>	\$ <u><u>28,983.14</u></u>	\$ <u><u>28,983.14</u></u>

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

"E"

CITY OF LONG BRANCH

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEET-REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
<u>FIXED ASSETS</u>		
Land and Improvements	\$ 66,903,000.00	\$ 66,903,000.00
Buildings and Improvements	10,396,100.00	10,396,100.00
Machinery and Equipment	10,407,212.00	10,352,520.00
Vehicles	<u>14,382,784.00</u>	<u>13,957,224.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 102,089,096.00</u>	<u>\$ 101,608,844.00</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 102,089,096.00</u>	<u>\$ 101,608,844.00</u>

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

CITY OF LONG BRANCH

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Long Branch, County of Monmouth, New Jersey (hereafter referred to as the "City") is governed under the Mayor and Council Plan A under the Optional Municipal Charter Law. The governing body consists of a Mayor and a 5-member City Council. The legislative power of the City is exercised by the City Council, except as may be otherwise provided by general law. The executive power of the City is exercised by the Mayor. Within the Office of the Mayor is the Business Administrator. Administrative responsibilities are assigned to the Business Administrator. Policy is determined by the City Council and the Business Administrator is responsible for carrying out such policy.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Except as noted below, the financial statements of the City of Long Branch include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Long Branch, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Long Branch do not include the operations of the local school district and the Long Branch Free Public Library, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the City conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City of Long Branch are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account group:

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

Trust Fund - receipts, custodianship and disbursements 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 general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the City pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the City's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - Interfunds receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C 5:30-5.7, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") 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.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68.

As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75.

As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The City of Long Branch had the following cash and cash equivalents at December 31, 2021:

<u>Fund</u>	Cash in	<u>Reconciling Items</u>		Change	<u>Total</u>
	<u>Bank</u>	<u>Increases</u>	<u>Decreases</u>	<u>Funds</u>	
Checking Accounts	\$60,367,345.72	\$135,076.93	\$788,466.14		\$59,713,956.51
Money Market	497,537.43				497,537.43
Change Funds				\$1,550.00	1,550.00
	<u>\$60,864,883.15</u>	<u>\$135,076.93</u>	<u>\$788,466.14</u>	<u>\$1,550.00</u>	<u>\$60,213,043.94</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$60,864,883.15, \$500,000.00 was covered by Federal Depository Insurance; \$60,364,883.15 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the City is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for Investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;

Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

7. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The City of Long Branch had no investments outstanding at December 31, 2021.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the City is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

Long-Term Debt

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$73,609,092.32	\$68,838,092.71	\$68,608,057.00
Net Debt Issued	\$73,609,092.32	\$68,838,092.71	\$68,608,057.00
Less: Reserve to Pay Bonds	7,869,247.65	1,241,531.55	323,811.00
	<u>\$65,739,844.67</u>	<u>\$67,596,561.16</u>	<u>\$68,284,246.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$25,724,936.42	\$26,114,066.42	\$26,553,566.42
Total Authorized But Not Issued	\$25,724,936.42	\$26,114,066.42	\$26,553,566.42
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$91,464,781.09</u>	<u>\$93,710,627.58</u>	<u>\$94,837,812.42</u>

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.618%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
School District Debt	\$5,470,000.00	\$5,470,000.00	-0-
General Debt	<u>99,334,028.74</u>	<u>7,869,247.65</u>	<u>\$91,464,781.09</u>
	<u>\$104,804,028.74</u>	<u>\$13,339,247.65</u>	<u>\$91,464,781.09</u>

NET DEBT \$91,464,781.09 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, \$5,653,047,035.33 EQUALS 1.618%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2021	\$5,653,047,035.33
3-1/2 of Equalized Valuation Basis	197,856,646.24
Net Debt	<u>91,464,781.09</u>
Remaining Borrowing Power	<u><u>\$106,391,865.15</u></u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the City for the last three (3) preceding years.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2021

CALANDAR	GENERAL IMPROVEMENT BONDS		
YEAR	PRINCIPAL	INTEREST	TOTAL
2022	4,600,000.00	2,371,465.16	6,971,465.16
2023	4,655,000.00	2,215,092.52	6,870,092.52
2024	4,760,000.00	2,033,842.52	6,793,842.52
2025	4,885,000.00	1,847,492.52	6,732,492.52
2026	5,010,000.00	1,655,242.52	6,665,242.52
2027-2031	20,235,000.00	5,434,693.76	25,669,693.76
2032-2036	9,176,000.00	1,717,040.02	10,893,040.02
2037-2041	4,000,000.00	940,000.00	4,940,000.00
2042-2046	4,000,000.00	525,000.00	4,525,000.00
2047-2049	<u>2,400,000.00</u>	<u>108,000.00</u>	<u>2,508,000.00</u>
	<u><u>\$63,721,000.00</u></u>	<u><u>\$18,847,869.02</u></u>	<u><u>\$82,568,869.02</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The General Capital Bonds are comprised of the following issues:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2021</u>
\$14,895,000.00 in Refunding Bonds dated July 8, 2014, due in remaining annual installments ranging between \$1,555,000.00 and \$1,580,000.00 beginning January 15, 2022 and ending January 1, 2026 with interest ranging from 3.125% to 4.000%.	7,850,000.00
\$17,431,000.00 in General Obligation Bonds dated January 30, 2015, due in remaining annual installments ranging between \$1,000,000.00 and \$1,031,000.00 beginning July 15, 2022 and ending July 1, 2034 with interest ranging from 2.250% to 3.000%.	13,581,000.00
\$19,895,000.00 in General Obligation Bonds dated December 21, 2018, due in remaining annual installments ranging between \$1,005,000.00 and \$2,000,000.00 beginning December 1, 2022 and ending December 1, 2032 with interest at 5.000%.	16,895,000.00
\$19,950,000.00 in Redevelopment Area Bonds dated September 17, 2020 due in remaining annual installments ranging between \$515,000.00 and \$800,000.00 beginning September 15, 2022 and ending September 15, 2049 with interest ranging from 1.75% to 5.000%	19,440,000.00
\$5,955,000.00 in General Obligation Bonds dated December 30, 2021, due in remaining annual installments ranging between \$400,000.00 and \$680,000.00 beginning December 1, 2022 and ending December 1, 2032 with interest ranging from 4.000% to 5.000%.	<u>5,955,000.00</u>
	<u>\$63,721,000.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

STATE OF NEW JERSEY GREEN TRUST LOANS

The City has entered into the following State of New Jersey Green Trust Loans:

<u>Date</u>	<u>Purpose</u>	<u>Loan Amount</u>	<u>Interest Rate</u>
12/7/2005	Park Development	\$518,000.00	2.00%
8/24/2009	Manahasset Creek Acquisition	359,121.75	0.00%
5/25/2010	Multi Parks Development 2	450,000.00	2.00%

Following are the maturities and debt schedule for the outstanding principal and interest on the loans:

<u>GREEN TRUST LOANS</u>			
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	\$72,057.33	\$6,552.51	\$78,609.84
2023	73,135.51	5,474.33	78,609.84
2024	74,235.37	4,374.47	78,609.84
2025	75,357.33	3,252.51	78,609.84
2026	44,129.88	2,269.05	46,398.93
2027	44,646.72	1,752.22	46,398.94
2028	45,173.95	1,224.98	46,398.93
2029	36,503.53	687.16	37,190.69
2030	13,852.70	138.53	13,991.23
	<u>\$479,092.32</u>	<u>\$25,725.76</u>	<u>\$504,818.08</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt (Continued)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2021, the City has authorized but not issued bonds and notes as follows:

General Capital Fund \$25,724,936.42

Short-Term Debt

At December 31, 2021 the City had the following short term debt:

Bond Anticipation Notes

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
10-10	02/18/11	02/03/21	02/02/22	0.75%	\$750,000.00
42-11	02/15/12	02/03/21	02/02/22	0.75%	625,000.00
9-13	06/12/14	02/03/21	02/02/22	0.75%	474,000.00
25-16	09/27/16	02/03/21	02/02/22	0.75%	288,000.00
18-19	02/05/20	02/03/21	02/02/22	0.75%	3,550,000.00
24-20	02/03/21	02/03/21	02/02/22	0.75%	3,722,000.00
					<u>\$9,409,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2021, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 were as follows:

Current Fund \$4,977,133.91

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The City bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	Balance December 31, 2021	Balance December 31, 2020
Prepaid Taxes	<u>\$2,607,088.19</u>	<u>\$1,689,077.78</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit. In which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2021, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2021, the State contributed an amount less than the actuarially determined amount. During 2021, PFRS provides for employee contributions of 10.00% of employees' base salary. The City's share of pension costs, which is based upon the annual billings received from the State for the preceding three years, are as follows:

Year Ended December 31,	Public Employee Retire. System	Police & Firemen's Retire. System	Defined Contribution Retire. System	Total
2021	\$1,628,229.00	\$3,862,281.00	\$8,942.23	\$5,499,452.23
2020	1,403,885.48	3,723,561.54	8,483.57	5,135,930.59
2019	1,444,268.00	3,559,566.00	8,524.70	5,012,358.70

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2011, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Pension deferral activity for 2021 is as follows:

<u>Retirement System</u>	<u>Original Amount Deferred</u>	<u>Balance December 31, 2020</u>	<u>2021 Payments</u>	<u>Balance December 31, 2021</u>
PFRS	\$ 1,083,813.00	\$ 430,429.00	\$ 110,207.00	\$ 320,222.00
PERS	<u>297,146.00</u>	<u>114,546.00</u>	<u>31,101.00</u>	<u>83,445.00</u>
Total	\$ <u>1,380,959.00</u>	\$ <u>544,975.00</u>	\$ <u>141,308.00</u>	\$ <u>403,667.00</u>

The balances above reflected above represent the original amount deferred less the principal amounts reflected on the New Jersey Division of Pensions & Benefits billings statements and are only an estimate.

Certain City employees are also covered by Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$23,564,244.00 for the City’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City’s proportion was 0.145004462 percent, which was an increase of 0.0058195105 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,111,531.00 for the City’s proportionate share of the total pension expense. The pension expense recognized in the City’s financial statements based on the April 1, 2020 billing was \$1,348,957.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

		Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$	429,066.00	\$ 83,333.00
Changes of assumptions		764,451.00	9,866,572.00
Net difference between projected and actual earnings on pension plan investments		805,445.00	
Changes in proportion and differences between City contributions and proportionate share of contributions		<u>1,832,951.00</u>	<u>418,528.00</u>
	\$	<u>3,831,913.00</u>	<u>\$ 10,368,433.00</u>

Other local amounts reported by the State as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	(\$2,673,997.40)
2022	(2,412,892.40)
2023	(1,257,683.40)
2024	(340,095.40)
2025	<u>148,148.60</u>
	<u>(\$6,536,520.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the City's proportionate share of net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the pension liability	\$29,663,452.00	\$23,564,244.00	\$18,388,899.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$42,726,233.00 for the City's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At June 30, 2020, the City's proportion was 0.3306646416 percent, which was an decrease of 0.021230729 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$2,212,216.00. The pension expense recognized in the City's financial statements based on the April 1, 2020 billing was \$3,554,546.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

		Deferred Outflow of Resources		Deferred Inflow of Resources
Differences between expected and actual experience	\$	430,753.00	\$	153,339.00
Changes of assumptions		107,520.00		11,454,647.00
Net difference between projected and actual earnings on pension plan investments		2,505,239.00		
Changes in proportion and differences between the City's contributions and proportionate share of contributions		<u>1,154,028.00</u>		<u>3,624,534.00</u>
	\$	<u>4,197,540.00</u>	\$	<u>15,232,520.00</u>

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

Year Ended June 30	Amount
2021	\$ (4,490,846.20)
2022	(3,191,420.20)
2023	(1,592,198.20)
2024	(908,923.20)
2025	<u>(851,592.20)</u>
	<u>\$ (11,034,980.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

June 30, 2020

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases

Through all future years	3.25-15.25%
	Based on years of Service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the PFRS pension liability	\$56,817,095.00	\$42,726,233.00	\$31,022,695.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$6,630,917.00 and \$6,799,964.00, respectively.

At June 30, 2020, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$42,726,233.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>6,630,917.00</u>
	<u>\$49,357,150.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: LITIGATION

The City Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the City's insurance carrier or would have a material financial impact on the City.

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused vacation, sick and compensation time over the life of their working careers which may be taken as time off or paid at a later date as outlined in City personnel policies. It is estimated that, at December 31, 2021, the current cost of such unpaid compensation would approximate \$4,272,953.07. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The City has accumulated \$421,662.24 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 9: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2021 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The City has made provision, from tax revenues, in the amount of \$2,300,000.00 for these appeals in the event that the tax reductions are granted.

NOTE 10: CONTINGENT LIABILITIES

The City participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the City does not believe that any material liabilities will result from such audits.

NOTE 11: 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 participates in the Statewide Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. The City's contributions to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary. Settled claims have not exceeded coverage in any of the past three fiscal years.

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

<u>Year</u>	<u>Contributions</u>		<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>City</u>	<u>Employee</u>		
2021	\$10,000.00	\$29,428.12	\$25,511.36	\$212,544.14
2020	10,000.00	27,526.10	57,715.04	198,627.38
2019	10,000.00	74,549.81	55,504.31	218,816.32

NOTE 12: SELF INSURANCE

The City of Long Branch was self-insured for workers compensation claims for the period of January 1997 through December 31, 2000. As of January 1, 2001, the City has obtained commercial insurance policies and is no longer self-insured.

The City still has active claims made prior to January 1, 2001. The City utilizes the Self Insurance Fund to pay the prior claims as well as paying professional fees related to insurance settlements as well as deductibles not covered by commercial insurance.

NOTE 12: SELF INSURANCE (CONTINUED)

The follow table reflects the activity of the Fund in 2021:

Balance December 31, 2020		\$486,045.56
Increased by:		
Budget Appropriation	\$344,265.98	
Interest	864.62	
Other	138,429.41	
Transfer from Encumbrances Payable	<u>14,021.23</u>	
		<u>497,581.24</u>
		983,626.80
Decreased by:		
Claims Paid	\$212,012.30	
Transfer to Encumbrances Payable	<u>12,059.00</u>	
		<u>224,071.30</u>
Balance December 31, 2021		<u>\$759,555.50</u>

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2021:

	Interfund Receivable	Interfund Payable
Current Fund	\$ 572,023.90	\$ 6,305,924.32
Grant Fund	6,304,794.32	
Trust Other Fund		1,969,750.00
Housing and Community Development Fund		572,023.90
General Capital Fund	<u>1,970,880.00</u>	
	<u>\$ 8,847,698.22</u>	<u>\$ 8,847,698.22</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 14: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The City does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the City's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by independent administrators, AXA Equitable and Nationwide Insurance.

The accompanying financial statements do not include the City's Deferred Compensation Plan activities.

NOTE 15: TAX ABATEMENTS

The City negotiates tax abatements under the State of New Jersey Local Redevelopment and Housing Law (NJSA 40A:12A-1 et seq.). These abatements include specifically the Five-Year Exemption and Abatement Law (NJSA 40A:21-1 et seq) and Long-Term Tax Exemption Law (NJSA 40A:20-1 et seq). The purposes for which a tax abatement may be considered for approval in the City encompasses residential, commercial and industrial development that addresses a need identified by the City Redevelopment Plans, the City Affordable Housing Plan or other specific projects as described in the above referenced laws.

Each agreement has been negotiated pursuant to the Local Redevelopment and Housing Law which allows the City to abate property taxes for economic development purposes. The abatements are directed toward development within a City designated Area in Need of Redevelopment or a property that is developed to meet designated unmet needs in the City's Affordable Housing Program.

NOTE 15: TAX ABATEMENTS (CONTINUED)

For the year ended December 31, 2021, the City abated property taxes totaling \$4,918,942.25 under this program.

<u>Recipient</u>	<u>Purpose</u>	<u>Taxes Abated</u>	<u>Municipal Portion Collected PILOT Program</u>
Garfield & Garfield II			
Court Housing	Affordable Housing	\$ 341,804.82	\$ 51,326.00
Seaview Housing	Affordable Housing	170,893.40	16,254.00
Grant Court/Presidential			
Estates Housing	Affordable Housing	220,376.13	23,077.00
Kennedy Towers	Affordable Housing	182,525.22	
Hobart Manor	Affordable Housing	101,812.88	
Chester Arthur	Affordable Housing	118,233.09	
Gregory School	Affordable Housing	303,333.59	33,931.77
Woodrow Wilson I & II	Affordable Housing	498,339.05	92,111.00
Monmouth University	Voluntary Contribution		75,825.00
Pier Village III	Redevelopment	1,484,231.75	1,751,412.48
South Beach	Redevelopment	1,497,392.32	841,522.48
		<u>\$ 4,918,942.25</u>	<u>\$ 2,885,459.73</u>

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Township is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan 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 postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided

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

Special Funding Situation

The City, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2020 and 2019, the State's proportionate share of the net OPEB liability attributable to the City for the special funding situation is \$38,897,607.00 and \$32,159,738.00 respectively.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

At June 30, 2020, the City's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

City's proportionate share of the Net OPEB Liability	\$0
State of New Jersey's proportionate share of Net OPEB Liability associated with the City	<u>38,897,607</u>
	<u><u>\$38,897,607</u></u>

Actuarial Assumptions and Other Inputs

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:

	<u>2020</u>	<u>2019</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Public Employees Retirement System (PERS):		
Initial fiscal Year Applied		
Rate through 2026	2.00% to 6.00%	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020

*Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Land and Improvements	\$66,903,000.00			\$66,903,000.00
Buildings and Improvements	10,396,100.00			10,396,100.00
Machinery and Equipment	10,352,520.00	198,309.00	143,617.00	10,407,212.00
Vehicles	<u>13,957,224.00</u>	<u>540,060.00</u>	<u>114,500.00</u>	<u>14,382,784.00</u>
	<u>\$101,608,844.00</u>	<u>\$738,369.00</u>	<u>\$258,117.00</u>	<u>\$102,089,096.00</u>

NOTE 18: SUBSEQUENT EVENTS

The City has evaluated subsequent events occurring after the financial statement date through August 17, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the City has determined that the no subsequent events require disclosure.

APPENDIX C

FORM OF APPROVING LEGAL OPINION

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

January _____, 2023

Mayor and City Council
of the City of Long Branch
Long Branch, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of Long Branch, in the County of Monmouth, a municipal corporation organized and existing under the laws of the State of New Jersey (the "City"), and other proofs submitted to us relative to the authorization, issuance, sale, execution and delivery of the \$8,629,000 aggregate principal amount of Bond Anticipation Notes, Series 2023 (the "Notes") of the City. The Notes are dated January 30, 2023, mature January 30, 2024, and bear interest at the rate of five and fifty hundredths per centum (5.50%) per annum.

The Notes are issued in fully registered book-entry only form, without certificates, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in denominations of \$1,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Notes. The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); and (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law (the “Ordinances”). The Notes are being issued to (i) refund, on a current basis, a \$4,029,000 principal portion of prior bond anticipation notes issued in the aggregate principal amount of \$5,370,000 on February 1, 2022 and maturing on January 31, 2023 (the “Prior Notes”) (the remaining balance of the Prior Notes in the amount of \$1,340,000 will be paid with cash on hand and a 2023 budgetary appropriation), and (ii) temporarily finance various capital acquisitions and improvements in and for the City in the amount of \$4,600,000, including paying the costs associated with the issuance of the Notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, issuance, sale, execution and delivery of the Notes pursuant to, as applicable, the Local Bond Law and the Ordinances, (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City and are enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property located within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The City has covenanted in a tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the provisions of the Code and the aforementioned covenants in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; 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 corporations for tax years beginning after December 31, 2022.

We are also of the opinion that the Notes constitute “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code, and therefore, will be treated as if they were acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Notes.

Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

I, MICHAEL MARTIN, Chief Financial Officer of the City of Long Branch, in the County of Monmouth (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance of not to exceed \$8,629,000 aggregate principal amount of Bond Anticipation Notes, Series 2023 (the "Notes"), dated January 30, 2023 and maturing January 30, 2024, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the City will provide notice of certain material events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org, of any of the following events with respect to the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or other material events effecting the tax-exempt status of the security; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the City other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below), through the EMMA system, consistent with the Rule (as defined below).

If the City (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the

Beneficial Owners of the Notes, the City shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days.

The City's obligations under this Certificate shall terminate upon the redemption, defeasance or payment in full of the Notes.

In the event the City fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the City's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the City, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Phoenix Advisors, LLC. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the City this ____ day of January, 2023.

**CITY OF LONG BRANCH,
IN THE COUNTY OF MONMOUTH,
STATE OF NEW JERSEY**

**MICHAEL MARTIN,
Chief Financial Officer**

Acknowledged and Accepted by:

**PHOENIX ADVISORS, LLC
as Dissemination Agent**

Authorized Signatory