

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 3, 2026**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**RATING: S&P: “AA”  
(See “RATING” herein)**

*In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Borough (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.*

**BOROUGH OF GIBBSBORO,  
IN THE COUNTY OF CAMDEN, NEW JERSEY**

**\$4,030,000\*  
GENERAL IMPROVEMENT BONDS, SERIES 2026  
(Bank-Qualified) (Callable)**

**Dated Date:** Date of Delivery

**Due:** March 15, as shown on the inside cover page

The \$4,030,000\* General Improvement Bonds, Series 2026 (the “Bonds”) of the Borough of Gibbsboro, in the County of Camden, New Jersey (the “Borough”), will be issued in the form of one certificate for the aggregate principal amount of each maturity of the Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. See “BOOK-ENTRY-ONLY SYSTEM” herein.

Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until maturity or prior redemption, commencing on September 15, 2026. Principal of and interest due on the Bonds will be paid to DTC by the Borough or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 1 and September 1 (the “Record Dates” for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Bonds are subject to optional redemption prior to their stated maturities. See “THE BONDS - Redemption” herein.

The Bonds are valid and legally binding obligations of the Borough and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

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

*The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by the Borough Attorney, Salvatore J. Siciliano, Esq., Haddonfield, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Bonds. Delivery is anticipated to be via the facilities of DTC in Brooklyn, New York, on or about March 19, 2026.*

**BIDS FOR THE BONDS WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE UNTIL 11:00 A.M. ON MARCH 10, 2026. FOR MORE DETAILS ON HOW TO BID, VIEW THE NOTICE OF SALE POSTED AT [WWW.MUNIHUB.COM](http://WWW.MUNIHUB.COM).**

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\* Preliminary, subject to change

**BOROUGH OF GIBBSBORO,  
IN THE COUNTY OF CAMDEN, NEW JERSEY**

**\$4,030,000\* GENERAL IMPROVEMENT BONDS, SERIES 2026**

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

<u>Year (March 15)</u>	<u>Principal Amounts*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2027	\$320,000	%	%	
2028	340,000			
2029	360,000			
2030	380,000			
2031	400,000			
2032	410,000			
2033	420,000			
2034	460,000			
2035	460,000			
2036	480,000			

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\* Preliminary; subject to change.

\*\* "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the Bonds, and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**BOROUGH OF GIBBSBORO,  
IN THE COUNTY OF CAMDEN, NEW JERSEY**

**MAYOR**

Edward G. Campbell, III

**BOROUGH COUNCIL**

Brandon Boots, Councilman  
Mitch Brown, Councilman  
Marianne Colavita, Councilwoman  
Fred Deterding, Councilman  
Glenn Werner, Councilman  
John Ritz, Councilman  
Andrew Parsinitz, Councilman

**CHIEF FINANCIAL OFFICER**

Albert Stanley

**BOROUGH CLERK**

Amy Troxel

**BOROUGH ATTORNEY**

Siciliano & Associates, LLC  
Haddonfield, New Jersey

**AUDITOR**

Ford, Scott and Associates, LLC  
Ocean City, New Jersey

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC  
Roseland, New Jersey

**MUNICIPAL ADVISOR**

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

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

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Borough from time to time (collectively, the "*Official Statement*"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Borough.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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IN THE COUNTY OF CAMDEN, NEW JERSEY ..... Appendix B

  

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**OFFICIAL STATEMENT**  
**Relating to the**

**BOROUGH OF GIBBSBORO,**  
**IN THE COUNTY OF CAMDEN, NEW JERSEY**

**\$4,030,000\* GENERAL IMPROVEMENT BONDS, SERIES 2026**

**INTRODUCTION**

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Borough of Gibbsboro (the “Borough”), in the County of Camden (the “County”), New Jersey (the “State”), in connection with the sale and issuance of its \$4,030,000\* General Improvement Bonds, Series 2026 (the “Bonds”). This Official Statement has been executed by and on behalf of the Borough by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds, including its general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Borough from its records, except for information expressly attributed to other sources. This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

**THE BONDS**

**General Description**

The Bonds will be dated their date of delivery and will mature on March 15 in the years and in the principal amounts as set forth on the inside front cover page hereof. The Bonds will bear interest from their dated date, payable semi-annually on March 15 and September 15 in each year until maturity or prior redemption, commencing on September 15, 2026, at the rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the Borough or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 1 and September 1 (the “Record Dates” for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds and in the principal amount of such maturity. The Bonds may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of The Depository Trust Company, Brooklyn, New York (“DTC”), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assignee), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Borough directly to Cede & Co. (or any successor or assignee), as nominee for DTC.

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\* Preliminary, subject to change.

## **Redemption**

The Bonds maturing prior to March 15, 2034 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after March 15, 2034 are redeemable at the option of the Borough, in whole or in part, on any date on or after March 15, 2033 upon notice as required herein at par, plus in each case unpaid accrued interest to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds to be redeemed not less than 30 days, nor more than 60 days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough or a duly appointed bond registrar. However, as long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption may be sent to such securities depository by email or as otherwise permitted by the securities depository regulations. Any failure of the securities depository to advise any of its Participants or any failure of any Participant to notify any Beneficial Owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Borough. The Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with unpaid accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds to be redeemed after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

## **BOOK-ENTRY-ONLY SYSTEM\***

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity 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

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\* Source: The Depository Trust Company.

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 an S&P Global 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

THE INFORMATION CONTAINED IN THIS SECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE BOROUGH MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE BOROUGH WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE BONDS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE BONDS. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

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

### **Discontinuation of Book-Entry-Only System**

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

### **AUTHORIZATION AND PURPOSE OF THE BONDS**

The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the "Local Bond Law"), the bond ordinances adopted by the Borough Council of the Borough referred to in the chart that follows and by a resolution duly adopted by the Borough Council of the Borough on February 25, 2026 (the "Resolution"). The bond ordinances authorizing the Bonds 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 Bonds 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 Borough. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount Funded From Bond Proceeds</b>
#2018-06	Acquisition of a fire engine and fire safety equipment, finally adopted May 9, 2018.	\$70,000
#2019-06	Restoration of John Lucas Homestead, finally adopted May 8, 2019.	120,000
#2019-07	Design, reconstruction and inspection of roads, bikeways and sidewalks, finally adopted May 8, 2019.	170,000
#2019-11	Restoration of John Lucas Homestead, finally adopted December 11, 2019.	70,000
#2020-01	Design, reconstruction, construction and inspection of improvements to West Road, finally adopted February 12, 2020.	85,000
#2020-07	Renovations and improvements to public buildings and grounds, finally adopted August 12, 2020.	237,500
#2020-09	Design, construction and inspection of various municipal capital projects, finally adopted October 21, 2020.	162,800
#2021-03	Design, construction, reconstruction and inspection of improvements to various roads, sidewalks and bikeways, finally adopted March 10, 2021.	112,200
#2022-01	Design, reconstruction, construction and inspection of improvements to various roads, sidewalks and bikeways, finally adopted March 9, 2022.	170,000
#2022-02	Design, reconstruction, construction and inspection of improvements to various stormwater and sanitary sewers, roads and sidewalks, finally adopted March 9, 2022.	135,000
#2022-03	Renovations and improvements to public buildings and grounds, finally adopted March 9, 2022.	215,000
#2022-04	Design, reconstruction, construction and inspection of improvements to various roads, traffic control devices, sidewalks and bikeways, finally adopted March 9, 2022.	110,000
#2022-06	Acquisition of a fire official's vehicle and preliminary studies and land acquisition for redevelopment projects, finally adopted April 13, 2022.	180,000

<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount Funded From Bond Proceeds</b>
#2023-02	Preliminary studies and land acquisition for redevelopment projects, finally adopted March 14, 2023.	190,000
#2023-04	Design, construction and inspection of multipurpose paths and sidewalks, finally adopted March 14, 2023.	290,000
#2023-03, as amended by #2023-11	Acquisition of safety equipment, finally adopted March 14, 2023, as amended August 8, 2023.	50,000
#2024-04	Purchase of a police SUV and safety and security equipment, finally adopted March 12, 2024.	142,500
#2024-05	Design, construction, reconstruction and inspection of improvements to various roads, sidewalks, bikeways and storm water facilities, finally adopted March 12, 2024.	380,000
#2024-09	Purchase and installation of sewer station by-pass pumps, finally adopted June 11, 2024.	380,000
#2024-14	Design, construction, inspection, curbing, multipurpose paths and sidewalks for Old Egg Harbor Road, finally adopted September 10, 2024.	142,500
#2024-15	Purchase of equipment, finally adopted September 10, 2024.	237,500
#2025-13	Various capital improvements, finally adopted October 22, 2025.	380,000
<b>Total:</b>		<b><u>\$4,030,000</u></b>

Proceeds from the sale and issuance of the Bonds will be used to: (i) currently refund the Borough's \$2,235,000 Bond Anticipation Note, dated and issued on March 24, 2025 and maturing on March 23, 2026; (ii) permanently finance various capital improvements in the amount of \$1,795,000 in and for the Borough; and (iii) pay the costs associated with the issuance of the Bonds.

### **SECURITY AND SOURCE OF PAYMENT**

The Bonds are valid and legally binding obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Borough is required by law to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

## RESILIENCY PLANNING

### Weather Related Matters

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

### Cybersecurity

The Borough relies upon a large and complex technology environment to conduct its various operations. As a result, the Borough faces certain cybersecurity threats at various times, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems.

## MARKET PROTECTION

The Borough does not anticipate issuing any additional bonds within the next ninety (90) days. The Borough may issue additional bond anticipation notes, as necessary, during the remainder of calendar year 2026.

## MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes, subject to a number of exceptions. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable property and improvements and certain Class II railroad property within the boundaries of the Borough, as annually determined by the State Director of Taxation, is \$309,411,454.33.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Borough has not exceeded its statutory debt limit. As of December 31, 2025, the statutory net debt as a percentage of average equalized valuation was 1.669%. As noted above, the statutory limit is 3½%.

The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit

of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Borough to fund certain notes, to provide for self-liquidating purposes and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "*Division*"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "*Director*") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Borough is authorized to issue emergency notes and special emergency notes pursuant to the Local Budget Law. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, *i.e.*, the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may 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 determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may 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 for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

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. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an

appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted to address the COVID-19 emergency, P.L. 2020, c. 60 (A4175), a local unit may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the Index Rate is greater than 2.5%. The "*Index Rate*" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions

and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

In accordance with the Local Budget Law, each local unit 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 years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures that the local unit may contemplate over the six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

Upon the filing of certified adopted budgets by the Borough's 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 to fund the budgets. The statutory provision 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 districts.

Tax bills are mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Borough's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, and if a delinquency (including interest) is in excess of \$10,000 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under New Jersey statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes. A table detailing delinquent taxes and tax title liens is included in Appendix A.

### **Tax Appeals**

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Borough must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New

Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 for the Borough is on file with the Borough Clerk and is available for review during business hours.

## **TAX MATTERS**

### **Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Borough to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Borough will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Borough has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Borough with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Borough observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Borough or the owners of the Bonds regarding

the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Borough as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Original Issue Discount**

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the “Discount Bonds”). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

### **Original Issue Premium**

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of the Premium Bonds may have taxable gain from the disposition of the Premium Bonds, even though the Premium Bonds are sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bonds. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

### **Additional Federal Income Tax Consequences of Holding the Bonds**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, 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 certain 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 companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

### **Bank-Qualification**

The Bonds will be designated as qualified under Section 265 of the Code by the Borough for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

### **Changes in Federal Tax Law Regarding the Bonds**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## FINANCIAL STATEMENTS

Excerpts from the audited financial statements of the Borough as of and for the years ended December 31, 2024, and 2023, 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”). The Borough’s independent auditor, Ford, Scott and Associates, LLC, Ocean City, New Jersey, takes responsibility for the audited financial statements to the extent and for the period set forth in the “Independent Auditor’s Report” contained in Appendix “B” of this Official Statement. See APPENDIX B – EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF THE BOROUGH OF GIBBSBORO, IN THE COUNTY OF CAMDEN, NEW JERSEY.

## LITIGATION

To the knowledge of the Borough Attorney, Salvatore J. Siciliano, Esq., of Siciliano & Associates, LLC, Haddonfield, New Jersey (the “Borough Attorney”), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Moreover, to the knowledge of the Borough Attorney, no litigation is presently pending or threatened that, in the opinion of the Borough Attorney, would have a material adverse impact on the financial condition of the Borough if adversely decided.

## SECONDARY MARKET DISCLOSURE

The Borough, pursuant to the Resolution, has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”). Specifically, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Borough shall provide:

(a) On or prior to September 30 of each year, beginning September 30, 2026 for the fiscal year ending December 31, 2025, electronically to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Borough consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Borough and certain financial information and operating data, consisting of (i) the Borough and overlapping indebtedness, (ii) property valuation information and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by State law.

(b) In a timely manner not in excess of ten business days after the occurrence of the event, to EMMA, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough;
- (13) The consummation of a merger, consolidation or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Borough, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Borough, if any such event reflects financial difficulties.

The term “Financial Obligation” as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(c) In a timely manner to EMMA, notice of failure of the Borough to provide required annual financial information on or before the date specified in the Resolution.

In the event that the Borough fails to comply with the above-described undertaking and covenants, the Borough shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Borough from time to time, without the consent of the holders or beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Borough prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

The Borough has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Borough appointed Phoenix Advisors, Hamilton, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

### **MUNICIPAL BANKRUPTCY**

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. §901 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy 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 said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX 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 Act.

### **APPROVAL OF LEGAL PROCEEDINGS**

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

### **UNDERWRITING**

The Bonds have been purchased from the Borough at a public sale by \_\_\_\_\_ (the "Underwriter") at a price of \$ \_\_\_\_\_ (consisting of the par amount of the Bonds plus [net] original issue premium in the amount of \$ \_\_\_\_\_ and less underwriter's discount in the amount of \$ \_\_\_\_\_). The Underwriter has purchased the Bonds in accordance with the Notice of Sale.

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

## **RATING**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "AA" to the Bonds based upon the creditworthiness of the Borough. The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Bonds and the Borough. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

## **MUNICIPAL ADVISOR**

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

## **PREPARATION OF OFFICIAL STATEMENT**

The Borough hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Mayor and the Chief Financial Officer of the Borough that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do 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.

The Auditor has participated in the preparation of the financial statements described herein under the heading entitled "FINANCIAL STATEMENTS" and contained in Appendix "B" hereto.

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

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

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

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Albert Stanley, Chief Financial Officer, Borough of Gibbsboro, 49 Kirkwood Road, Gibbsboro, NJ 08026, (856) 783-6655 ext. 101, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

## **MISCELLANEOUS**

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

## **BOROUGH OF GIBBSBORO, IN THE COUNTY OF CAMDEN, NEW JERSEY**

**By:** \_\_\_\_\_  
Albert Stanley  
Chief Financial Officer

Dated: March \_\_, 2026

**APPENDIX A**

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE BOROUGH OF  
GIBBSBORO, IN THE COUNTY OF CAMDEN, NEW JERSEY**

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## INFORMATION REGARDING THE BOROUGH<sup>1</sup>

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

### Employment and Unemployment Comparisons

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough</u></b>				
2024	1,021	970	51	5.0%
2023	1,016	966	50	4.9%
2022	999	949	50	5.0%
2021	973	908	65	6.7%
2020	976	887	89	9.1%
<b><u>County</u></b>				
2024	274,870	261,252	13,618	5.0%
2023	273,180	260,285	12,895	4.7%
2022	266,723	255,431	11,292	4.2%
2021	263,373	244,488	18,885	7.2%
2020	262,597	236,927	25,670	9.8%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

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

<sup>1</sup> Source: The Borough unless otherwise indicated.

**Income (as of 2024)**

	<u>Borough</u>	<u>County</u>	<u>State</u>
Median Household Income	\$100,313	\$88,755	\$103,556
Median Family Income	116,250	109,542	127,025
Per Capita Income	48,601	45,500	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

**Population**

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

<u>Year</u>	<u>Borough</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>
2023 est.	2,239	2.28%	533,988	2.01%	9,500,851	2.28%
2020	2,189	-3.74	523,485	1.91	9,288,994	5.65
2010	2,274	-6.61	513,657	0.93	8,791,894	4.49
2000	2,435	2.18	508,932	1.21	8,414,350	8.85
1990	2,383	-5.06	502,824	6.61	7,730,188	4.96

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

**Largest Taxpayers**

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

<u>Taxpayers</u>	<u>2025 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Brandywine/Operat Part	\$8,093,600	3.60%
59-63 N. Lakeview R. LLC	2,509,700	1.12%
4 S. Lakeview Dr., LLC	2,447,700	1.09%
Tahmed LLC	2,409,700	1.07%
Eureka Stone Quarry, Inc.	2,009,000	0.89%
20 E. Clementon LLC	2,000,000	0.89%
DC Gibbs c/o CVS	1,956,400	0.87%
Square Circle Sportsman	1,475,700	0.66%
Parisi Enterprises, LLC	1,200,000	0.53%
Brandywine 55 US Ave. LLC	<u>1,145,500</u>	<u>0.51%</u>
<b>Total</b>	<b><u>\$25,247,300</u></b>	<b><u>11.24%</u></b>

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

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2025U	\$10,514,553	\$10,499,640	99.86%
2024	10,109,082	10,023,327	99.15%
2023	9,794,615	9,779,941	99.85%
2022	9,544,838	9,534,298	99.89%
2021	9,374,126	9,355,761	99.80%

U: Unaudited

Source: Annual Audit Reports and 2025 Annual Financial Statement of the Borough

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2025U	\$3,673	\$0	\$3,673	0.03%
2024	\$4,980	\$72,367	\$77,347	0.77%
2023	29,908	5,784	35,692	0.36%
2022	26,978	3,539	30,518	0.32%
2021	25,555	2,584	28,140	0.30%

U: Unaudited

Source: Annual Audit Reports and 2025 Annual Financial Statement of the Borough

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2025U	\$1,140,900
2024	1,140,900
2023	1,611,800
2022	1,611,800
2021	1,600,400

U: Unaudited

Source: Annual Audit Reports and 2025 Annual Financial Statement of the Borough

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

The table below lists the tax rates for Borough residents.

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School</u></b>	<b><u>Regional School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2025	\$1.184	\$1.907	\$0.769	\$0.803	\$4.663
2024	1.124	1.748	0.728	0.831	4.431
2023	1.086	1.634	0.666	0.873	4.259
2022	1.021	1.601	0.636	0.894	4.152
2021	1.000	1.544	0.637	0.947	4.128

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

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Value of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$224,541,100	\$336,996,998	66.63%	\$0	\$336,996,998
2024	227,794,300	303,523,384	75.05	0	303,523,384
2023	229,451,900	287,713,981	79.75	0	287,713,981
2022	226,543,200	273,305,827	82.89	0	273,305,827
2021	226,969,400	257,159,982	88.26	0	257,159,982

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

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Borough.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$6,539,800	\$175,843,600	\$385,600	\$35,948,300	\$5,541,800	\$282,000	\$224,541,100
2024	7,214,600	177,024,400	3,700	38,775,800	4,493,800	282,000	227,794,300
2023	6,686,400	176,158,000	2,800	39,290,600	7,032,100	282,000	229,451,900
2022	7,439,600	175,800,300	2,700	35,798,200	7,220,400	282,000	226,543,200
2021	7,439,600	176,203,100	2,700	35,821,600	7,220,400	282,000	226,969,400

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

**Financial Operations**

The following table summarizes the Borough’s Current Fund budget for the 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**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$660,000	\$800,000	\$800,000	\$800,000	\$700,000
Miscellaneous Revenues	410,173	962,683	431,380	1,979,207	1,434,549
Receipts from Delinquent Taxes	0	0	0	0	50,000
Amount to be Raised by Taxation	<u>2,217,886</u>	<u>2,261,745</u>	<u>2,436,080</u>	<u>2,503,547</u>	<u>2,597,826</u>
Total Revenue:	<u>\$3,288,059</u>	<u>\$4,024,428</u>	<u>\$3,667,460</u>	<u>\$5,282,754</u>	<u>\$4,782,375</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$2,217,413	\$2,370,955	\$2,469,660	\$2,606,000	\$2,695,310
Operations (Excluded from CAPS)	135,000	685,048	146,014	1,657,370	1,031,793
Deferred Charges	23,000	23,000	22,480	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	15,000	55,000	55,000	55,000	25,000
Municipal Debt Service	641,539	608,843	663,397	668,532	703,678
Transferred to Board of Education	32,478	36,466	71,100	53,368	74,454
Reserve for Uncollected Taxes	<u>223,629</u>	<u>245,116</u>	<u>239,810</u>	<u>242,485</u>	<u>252,140</u>
Total Appropriations:	<u>\$3,288,059</u>	<u>\$4,024,428</u>	<u>\$3,667,460</u>	<u>\$5,282,754</u>	<u>\$4,782,375</u>

Source: Annual Adopted Budgets of the Borough

**Fund Balance**

**Current Fund**

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

	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2025U	\$1,350,150	N/A
2024	751,551	700,000
2023	1,158,047	800,000
2022	1,251,810	800,000
2021	1,234,370	800,000

U: Unaudited

Source: Annual Audit Reports and 2025 Annual Financial Statement of the Borough

Sewer Utility Operating Fund

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

**Fund Balance - Sewer Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b> <b><u>12/31</u></b>	<b><u>Utilized in Budget</u></b> <b><u>of Succeeding Year</u></b>
2025U	\$708,763	N/A
2024	306,728	210,900
2023	255,714	140,000
2022	275,588	140,000
2021	273,498	44,844

U: Unaudited

Source: Annual Audit Reports and 2025 Annual Financial Statement of the Borough

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## **Borough Indebtedness as of December 31, 2025**

### **General Purpose Debt**

Serial Bonds	\$720,000
Bond Anticipation Notes	2,648,000
Bonds and Notes Authorized but Not Issued	1,795,511
Other Bonds, Notes and Loans	0
Total:	<u>\$5,163,511</u>

### **Local School District Debt**

Serial Bonds	\$630,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$630,000</u>

### **Regional School District Debt**

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

### **Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	1,696,758
Other Bonds, Notes and Loans	456,988
Total:	<u>\$2,153,746</u>

### **TOTAL GROSS DEBT**

**\$7,947,257**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	630,000
Regional School District Debt	0
Self-Liquidating Debt	2,153,746
Total:	<u>\$2,783,746</u>

### **TOTAL NET DEBT**

**\$5,163,511**

**Overlapping Debt as of December 31, 2025<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share</u></b>
Local School District	\$630,000	100.00%	\$630,000
Regional School District	0	4.96%	0
County (2024)	673,279,633	0.52%	<u>3,487,631</u>
Net Indirect Debt			\$4,117,631
Net Direct Debt			<u>5,163,511</u>
Total Net Direct and Indirect Debt			<b><u>\$9,281,142</u></b>

**Debt Limit (2025)**

Average Equalized Valuation Basis (2023, 2024, 2025)	\$309,411,454
Permitted Debt Limitation (3 1/2%)	10,829,401
Less: Net Debt	<u>5,163,511</u>
Remaining Borrowing Power	<u>\$5,665,890</u>
Percentage of Net Debt to Average Equalized Valuation	1.669%
Gross Debt Per Capita based on 2020 population of 2,189	\$3,631
Net Debt Per Capita based on 2020 population of 2,189	\$2,359

**Litigation**

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

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<sup>2</sup> Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

**APPENDIX B**

**EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF THE BOROUGH OF  
GIBBSBORO, IN THE COUNTY OF CAMDEN,  
NEW JERSEY**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of Borough Council  
Borough of Gibbsboro  
County of Camden, New Jersey

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Gibbsboro, as of December 31, 2024 and 2023, the related statement 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 funds for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Township's basic 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 "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 each fund of the Borough of Gibbsboro as of December 31, 2024, and 2023 or changes in financial position for the years then ended.

#### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2024 and 2023, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2024 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.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Borough of Gibbsboro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Gibbsboro 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 these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Gibbsboro'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 Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Gibbsboro's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Borough of Gibbsboro'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Gibbsboro's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2025, on our consideration of the Borough of Gibbsboro'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 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 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 the Borough of Gibbsboro's internal control over financial reporting and compliance.

***Ford, Scott & Associates, L.L.C.***  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

***Leon P. Costello***  
**Leon P. Costello**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 393**

**May 9, 2025**

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2024	2023
<b><u>ASSETS</u></b>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 1,074,750.36	1,267,083.31
Cash - Change	410.00	410.00
Investment in BANS	710,755.00	900,000.00
Total Cash	1,785,915.36	2,167,493.31
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	72,366.80	5,783.79
Tax Title and Other Liens	4,979.75	29,907.76
Property Acquired for Taxes - at Assessed Valuation	1,140,900.00	1,611,800.00
Revenue Accounts Receivable	22,580.78	21,207.32
Interfund Receivable:		
Animal Control	89.35	33.63
General Capital	202,933.14	
Federal and State Grant Fund		27,411.90
Trust Other	2,841.05	140.11
TTL Redemption Trust	286.61	346.53
Sewer Operating Fund	185,144.78	
Sewer Capital	24,000.00	24,000.00
Total Receivables and Other Assets	1,656,122.26	1,720,631.04
Total Regular Fund	3,442,037.62	3,888,124.35
Federal and State Grant Fund:		
Federal and State Grants Receivable	3,094,824.51	1,347,543.83
Due from Current Fund	246,766.87	
Total Federal and State Grant Fund	3,341,591.38	1,347,543.83
Total Current Fund	\$ 6,783,629.00	5,235,668.18

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	\$	408,727.74	107,815.03
Reserve for Encumbrances		129,075.79	117,950.67
Accounts Payable		25,385.71	6,834.50
Prepaid Taxes		103,482.59	106,827.28
Tax Overpayments		47,280.88	7,287.72
Payroll Taxes Payable		206.90	249.52
Local School Tax Payable			
Regional School Tax Payable		54,415.00	21,835.00
County Tax Payable		2,909.91	4,568.66
Reserve for OEM Award Unappropriated		500.00	500.00
Due to State:			
Marriage Licenses		125.00	75.00
Senior Citizens & Vets		13,443.79	12,937.88
DCA Construction Fees		1,471.00	681.00
Interfund Payable:			
Grant Fund		246,766.87	
General Capital			563,712.12
Other			
Reserve for Municipal Relief Fund			29,494.75
Reserve for Library State Aid		572.74	572.74
Reserve for Revaluation Program			28,104.50
		<u>1,034,363.92</u>	<u>1,009,446.37</u>
Reserve for Receivables and Other Assets		1,656,122.26	1,720,631.04
Fund Balance		751,551.44	1,158,046.94
		<u>3,442,037.62</u>	<u>3,888,124.35</u>
Total Regular Fund			
Federal and State Grant Fund:			
Unappropriated Reserves		17,000.16	42,992.31
Appropriated Reserves		3,100,317.89	1,004,341.15
Due General Capital Fund		218,739.66	243,739.66
Due Current Fund			27,411.90
Encumbrances Payable		5,533.67	29,058.81
		<u>3,341,591.38</u>	<u>1,347,543.83</u>
Total Federal and State Grant Fund			
Total Current Fund	\$	<u>6,783,629.00</u>	<u>5,235,668.18</u>

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2024	2023
Revenue and Other Income Realized		
Fund Balance	\$ 800,000.00	800,000.00
Miscellaneous Revenue Anticipated	3,390,899.43	1,269,409.60
Receipts from Delinquent Taxes	35,559.57	5,454.43
Receipts from Current Taxes	10,023,327.97	9,779,940.81
Non Budget Revenue	214,701.60	87,253.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserve	76,637.58	233,397.25
Reserve for Revaluation Canceled	28,104.50	
Interfund Returned	4,666.60	21,438.88
Cancelation of Grants Appropriated	701,992.36	
Total Income	15,275,889.61	12,196,894.35
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	810,524.00	802,400.00
Other Expenses	1,564,593.42	1,424,862.84
Deferred Charges & Statutory Expenditures	230,882.15	242,397.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	121,568.88	128,308.08
Other Expenses	2,868,967.47	738,957.73
Capital Improvements	55,000.00	55,000.00
Debt Service	668,531.59	663,396.94
Deferred Charges	-	22,480.00
Transferred to Board of Education	53,367.65	71,099.65
Local District School Tax	3,980,533.00	3,748,476.00
Regional District School Tax	1,658,613.00	1,528,302.00
County Tax	1,893,136.75	2,003,615.58
County Share of Added Tax	2,909.91	4,568.66
Local Open Space Tax	57,122.36	55,585.06
Interfund Created	345,803.93	
Senior Citizen Deduction Disallowed	750.00	
Cancellation of Grants Receivable	570,081.00	
Refund of Prior Year's Revenue	-	1,208.17
Total Expenditures	14,882,385.11	11,490,657.71
Excess in Revenue	393,504.50	706,236.64

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**CURRENT FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
 IN FUND BALANCE - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31,**

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Statutory Excess to Fund Balance		393,504.50	706,236.64
Fund Balance January 1		1,158,046.94	1,251,810.30
		1,551,551.44	1,958,046.94
Decreased by:			
Utilization as Anticipated Revenue		800,000.00	800,000.00
Fund Balance December 31	\$	<u>751,551.44</u>	<u>1,158,046.94</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 800,000.00		800,000.00	-
Total Fund Balance Anticipated	<u>800,000.00</u>	<u>-</u>	<u>800,000.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	5,000.00		5,376.00	376.00
Fines and Costs:				
Municipal Court	50,000.00		100,571.93	50,571.93
Interest and Costs on Taxes	25,000.00		34,788.02	9,788.02
Total Section A: Local Revenues	<u>80,000.00</u>	<u>-</u>	<u>140,735.95</u>	<u>60,735.95</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	286,145.00		286,145.26	0.26
Municipal Relief	29,494.75		29,494.75	
Total Section B: State Aid Without Offsetting Appropriations	<u>315,639.75</u>	<u>-</u>	<u>315,640.01</u>	<u>0.26</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	35,000.00		52,790.00	17,790.00
Total Section C: Uniform Construction Code Fees	<u>35,000.00</u>	<u>-</u>	<u>52,790.00</u>	<u>17,790.00</u>
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	2,344.41	3,928.98	6,273.39	
DMV Inspections		2,540.50	2,540.50	
Stormwater Regulation	15,000.00		15,000.00	
Lead Program	1,000.00		1,000.00	
Clean Communities Program	5,788.15	6,574.26	12,362.41	
NJ DOT	1,500,000.00	570,000.00	2,070,000.00	
Alcohol Education Rehabilitation	259.59	122.58	382.17	
Safe and Secure Communities Program	22,575.00		22,575.00	
HUD - Community Funding - Silver Lake Redevelopment		750,000.00	750,000.00	
Drunk Driving Enforcement	1,600.00		1,600.00	
Total Section F: Special Items - Public and Private Programs	<u>1,548,567.15</u>	<u>1,333,166.32</u>	<u>2,881,733.47</u>	<u>-</u>
Off-Set with Appropriations				
Total Miscellaneous Revenues:	<u>1,979,206.90</u>	<u>1,333,166.32</u>	<u>3,390,899.43</u>	<u>78,526.21</u>
Receipts from Delinquent Taxes			35,559.57	35,559.57
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	2,503,547.07	-	2,673,498.08	169,951.01
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>2,503,547.07</u>	<u>-</u>	<u>2,673,498.08</u>	<u>169,951.01</u>
Budget Totals	<u>5,282,753.97</u>	<u>1,333,166.32</u>	<u>6,899,957.08</u>	<u>284,036.79</u>
Non- Budget Revenues:				
Other Non- Budget Revenues:	-	-	214,701.60	214,701.60
	<u>5,282,753.97</u>	<u>1,333,166.32</u>	<u>7,114,658.68</u>	<u>498,738.39</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections		10,023,327.97
Less: Reserve for Tax Appeals Pending		_____
Net Revenue from Collections		10,023,327.97
Allocated to:		
School, County and Other Taxes		7,592,315.02
Balance for Support of Municipal Budget Appropriations		2,431,012.95
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		242,485.13
Amount for Support of Municipal Budget Appropriations		2,673,498.08
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	5,438.42	
Tax Title Lien Collections	30,121.15	
Total Receipts from Delinquent Taxes		35,559.57
Analysis of Non-Budget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Fees & Permits	4,635.00	
Interest Earned on Investments	23,166.58	
Cable TV Franchise Fees	8,281.49	
Police Reports	759.03	
Animal Fees	360.00	
PILOT Payments	14,250.00	
Miscellaneous Clerk Receipts	7,202.37	
Miscellaneous Revenue	99,077.82	
Tax Miscellaneous Fees	996.75	
Construction Miscellaneous Fees	11,114.00	
Cannabis Revenue	22,203.10	
Admin Fee Vets & Senior	383.27	
Fire Safety Fees Current Year	6,182.02	
Fire Safety LEA Rebate Current Year	15,090.17	
JIF Safety Award	1,000.00	
Total Miscellaneous Revenue Not Anticipated:		214,701.60

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Reserve			Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Mayor and Council	\$ 23,000.00		23,000.00	22,928.00		72.00	
Salaries and Wages	1,000.00		1,000.00	431.69		568.31	
Other Expenses							
Municipal Clerk	110,000.00		110,000.00	106,495.99		3,504.01	
Salaries and Wages	33,000.00		33,000.00	22,615.22	774.67	9,610.11	
Other Expenses							
Financial Administration	12,875.00		12,875.00	12,207.69		667.31	
Salaries and Wages	12,000.00		14,000.00	12,585.07		1,414.93	
Other Expenses							
Audit Services	31,000.00		31,000.00	31,000.00			
Other Expenses							
Revenue Administration (Tax Collector)	18,025.00		18,025.00	17,015.38		1,009.62	
Salaries and Wages	7,500.00		7,500.00	3,695.04		3,804.96	
Other Expenses							
Tax Assessment Administration	12,360.00		12,360.00	9,043.62		3,316.38	
Salaries and Wages	6,000.00		8,000.00	3,687.10		4,312.90	
Other Expenses							
Legal Services	45,000.00		50,000.00	42,901.14		7,098.86	
Other Expenses							
Engineering Services and Costs	25,000.00		35,000.00	24,457.50		10,542.50	
Other Expenses							
<b>LAND USE ADMINISTRATION</b>							
Planning Board	12,360.00		12,360.00	8,782.00		3,578.00	
Salaries and Wages	15,000.00		14,500.00	1,768.20	53.25	12,678.55	
Other Expenses	35,000.00		35,000.00	25,810.15		9,189.85	
Preparation of a Master Plan							

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget				Encumbered			
<b>INSURANCE</b>								
General Liability	42,765.00		42,765.00	41,706.00			1,059.00	
Workers Compensation Insurance	37,308.00		37,308.00	37,308.00				
Employee Group Health	238,513.96		238,513.96	178,774.47			59,739.49	
Other Insurance Premiums	32,592.00		32,592.00	27,768.00			4,824.00	
Health Benefits Waiver								
Salaries and Wages	2,000.00		2,000.00	1,541.79			458.21	
Municipal Court								
Salaries and Wages	10,300.00		10,300.00	9,608.00			692.00	
Other Expenses	7,000.00		7,000.00	2,508.98			4,491.02	
Audubon - Interlocal	46,500.00		46,500.00	42,330.37			4,169.63	
Public Defender								
Salaries and Wages	3,708.00		3,708.00	2,929.00			779.00	
<b>PUBLIC SAFETY</b>								
Fire								
Other Expenses								
Fire Hydrant Service								
Aid to Volunteer Fire Company	53,500.00		53,500.00	53,259.54			240.46	
Fire Safety Official	62,914.46		62,914.46	62,914.46				
Salaries and Wages	4,000.00		4,000.00	3,830.00			170.00	
Other Expenses	5,500.00		5,500.00	3,824.11		500.00	1,175.89	
Police Department								
Salaries and Wages	412,000.00		388,500.00	264,114.24			124,385.76	
Other Expenses	125,000.00		125,000.00	79,398.08		22,763.84	22,838.08	
Office of Emergency Management								
Salaries and Wages	4,896.00		4,896.00	3,793.00			1,103.00	
Other Expenses	3,000.00		3,000.00	1,051.27			1,948.73	
Municipal Prosecutor								
Salaries and Wages	6,500.00		6,500.00	5,734.00			766.00	
Aid to First Aid Organization	25,000.00		25,000.00				25,000.00	

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved		
<b>PUBLIC WORKS</b>								
Public Works								
Salaries and Wages	120,000.00	120,000.00	117,866.58			2,133.42		
Other Expenses	70,000.00	70,000.00	26,767.74		22,817.80	20,414.46		
Public Buildings and Grounds								
Other Expenses	110,000.00	110,000.00	104,497.83		0.20	5,501.97		
Recycling Program								
Contractual	150,000.00	160,000.00	83,448.57		71,219.35	5,332.08		
Garbage and Trash Removal								
Contractual	190,000.00	190,000.00	169,508.00		7,655.84	12,836.16		
<b>HEALTH AND HUMAN SERVICES</b>								
Dog Regulation								
Environmental Commission	10,500.00	10,500.00	9,765.00		450.00	285.00		
Other Expenses	1,500.00	1,500.00	425.00			1,075.00		
<b>PARKS AND RECREATION</b>								
Library								
Salaries and Wages	1,500.00	1,500.00				1,500.00		
Other Expenses	1,000.00	1,000.00				1,000.00		
Senior Citizen's Program								
Other Expenses	2,000.00	2,000.00	1,479.21			520.79		
<b>UNIFORM CONSTRUCTION CODE</b>								
State Uniform Construction Code								
Construction Official								
Salaries and Wages	50,000.00	50,000.00	47,408.49			2,591.51		
Other Expenses	8,000.00	8,000.00	5,333.94		2,600.00	66.06		
Plumbing Inspector								
Salaries and Wages	5,500.00	5,500.00	2,878.00			2,622.00		
Electrical Inspector								
Salaries and Wages	5,500.00	5,500.00	2,878.00			2,622.00		
Fire Inspector								
Salaries and Wages	4,000.00	4,000.00	3,788.00			212.00		
Fire Official - Sub Code								
Salaries and Wages	5,500.00	5,500.00	2,878.00			2,622.00		
Building Subcode Inspector								
Salaries and Wages	10,000.00	10,000.00	4,124.00			5,876.00		

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
<b>UNCLASSIFIED</b>					
Celebration of Public Events	50,000.00	45,000.00	41,791.84	240.84	2,967.32
Other Expenses	58,000.00	58,000.00	52,834.72		5,165.28
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Street Lighting	2,375,117.42	2,375,117.42	1,845,490.02	129,075.79	400,551.61
TOTAL OPERATIONS WITHIN "CAPS"					
Contingent	-	-	-	-	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	2,375,117.42	2,375,117.42	1,845,490.02	129,075.79	400,551.61
Detail:					
Salaries and Wages	834,024.00	810,524.00	649,843.78	-	160,680.22
Other Expenses	1,541,093.42	1,564,593.42	1,195,646.24	129,075.79	239,871.39
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	37,858.27	37,858.27	37,858.27		
Social Security System (O.A.S.I.)	77,000.00	77,000.00	71,137.48		5,862.52
Police and Firemen's Retirement System	114,023.88	114,023.88	114,023.88		
Unemployment Compensation Insurance	1,500.00	1,500.00	186.39		1,313.61
Defined Contribution Retirement Program (DCRP)	500.00	500.00			500.00
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	230,882.15	230,882.15	223,206.02	-	7,676.13
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	2,605,999.57	2,605,999.57	2,068,696.04	129,075.79	408,227.74

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>							
Insurance: NJSA 40A:4-45.3	6,935.00	6,935.00	6,935.00				
Employee Group Health	2,874.00	2,874.00	2,874.00				
General Liability							
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>9,809.00</b>	<b>9,809.00</b>	<b>9,809.00</b>	<b>9,809.00</b>	<b>-</b>	<b>-</b>	
<b>(A) Public and Private Programs Off-Set by Revenues</b>							
Safe and Secure Communities Program							
Police							
Salaries and Wages	121,568.88	121,568.88	121,568.88				
Recycling Tonnage Grant	2,344.41	6,273.39	6,273.39				(0.00)
Clean Communities	5,788.15	12,362.41	12,362.41				
Alcohol Rehabilitation	259.59	382.17	382.17				(0.00)
DMV Inspections		2,540.50	2,540.50				
Drunk Driving Enforcement Fund	1,600.00	1,600.00	1,600.00				
Stormwater Regulation Program	15,000.00	15,000.00	15,000.00				
Lead Program	1,000.00	1,000.00	1,000.00				
NJ DOT Grant		570,000.00	570,000.00				
Community Project Funding		750,000.00	750,000.00				
NJ DOT Municipal Aid Grant	1,500,000.00	1,500,000.00	1,500,000.00				
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>1,647,561.03</b>	<b>2,980,727.35</b>	<b>2,980,727.35</b>	<b>2,980,727.35</b>	<b>-</b>	<b>(0.00)</b>	
<b>Total Operations - Excluded from "CAPS"</b>	<b>1,657,370.03</b>	<b>2,990,536.35</b>	<b>2,990,536.35</b>	<b>2,990,536.35</b>	<b>-</b>	<b>(0.00)</b>	
<b>Detail:</b>							
Salaries and Wages	121,568.88	121,568.88	121,568.88				
Other Expenses	1,535,801.15	2,868,967.47	2,868,967.47				
<b>(C) Capital Improvements</b>							
Capital Improvement Fund	55,000.00	55,000.00	55,000.00				
<b>Total Capital Improvements</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>-</b>	<b>-</b>	
<b>(D) Debt Service</b>							
Payment of Bond Principal	160,000.00	160,000.00	160,000.00				
Payment of BANs and Capital Notes	410,050.00	410,050.00	410,050.00				
Interest on Bonds	28,100.00	28,100.00	28,100.00				
Interest on Notes	70,381.59	70,381.59	70,381.59				
<b>Total Debt Service</b>	<b>668,531.59</b>	<b>668,531.59</b>	<b>668,531.59</b>	<b>668,531.59</b>	<b>-</b>	<b>-</b>	

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
(N) Transferred to Board of Education for Use of Local Schools	53,367.65	53,367.65	52,867.65		500.00	
Total Transferred to Board of Education	<u>53,367.65</u>	<u>53,367.65</u>	<u>52,867.65</u>	-	<u>500.00</u>	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	2,434,269.27	3,767,435.59	3,766,935.59	-	500.00	-
SUBTOTAL GENERAL APPROPRIATIONS	<u>5,040,268.84</u>	<u>6,373,435.16</u>	<u>5,835,631.63</u>	129,075.79	408,727.74	-
(M) Reserve for Uncollected Taxes	242,485.13	242,485.13	242,485.13	-		
TOTAL GENERAL APPROPRIATIONS	<u>\$ 5,282,753.97</u>	<u>6,615,920.29</u>	<u>6,078,116.76</u>	129,075.79	408,727.74	-
Budget		5,282,753.97				-
Appropriations by 40A-4-87		1,333,166.32				
Special Emergency Appropriation (5 years)		<u>6,615,920.29</u>				
Reserve for Uncollected Taxes			242,485.13			
Federal and State Grants			2,980,727.35			
Disbursements			2,854,904.28			
			<u>6,078,116.76</u>			
				Cancelled		
				Overexpended		

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	2024	2023
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash Treasurer	\$ 5,303.75	\$ 3,425.23
	5,303.75	3,425.23
<u>Other Funds</u>		
Cash Treasurer	741,413.22	708,387.37
Cash Collector	436,384.70	282,446.53
	1,177,797.92	990,833.90
	\$ 1,183,101.67	\$ 994,259.13

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

<u>Liabilities, Reserves and Fund Balance</u>	<u>2024</u>	<u>2023</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 5,202.40	\$ 3,387.40
Due to Current Fund	89.35	33.63
Due to State	12.00	4.20
	<u>5,303.75</u>	<u>3,425.23</u>
<u>Other Funds</u>		
Due to Current Trust Other	2,841.05	140.11
Due to Current Fund - TTL	286.61	346.53
Encumbrances Payable		25,685.29
Reserve Tax Title Lien Premium	339,100.00	282,100.00
Reserve for Tax Title Lien Redemption	96,998.09	-
Reserve for Affordable Housing	87,180.07	84,249.84
Reserve for Local Open Space Trust	356,530.76	360,906.75
Reserve for POAA	256.00	196.00
Reserve for Community Garden	8,050.56	7,643.52
Reserve for Cricket Field	2,509.69	425.00
Reserve for Fire Penalties	10,541.80	10,041.80
Reserve for General Contributions	7,433.59	7,433.59
Reserve for Gibbsboro Memorial Trust	2,190.00	2,190.00
Reserve for Gibbsboro Pageant	537.16	110.00
Reserve for Gibbsboro Sign Trust	250.00	250.00
Reserve for Horton Historic Trust	708.87	39.05
Reserve for Borough Rental Properties	690.00	690.00
Reserve for Planning Escrow	179,679.36	148,333.93
Reserve for Haines Memorial Trust	1,131.33	1,131.33
Reserve for Inspection Fees	6,209.19	6,209.19
Reserve for Sidewalks	1,904.76	1,904.76
Reserve for Police Donations	1,100.00	1,100.00
Reserve for Police Extra Duty	59,807.59	38,455.09
Reserve for Senior Cental Rental	1,744.74	1,385.42
Reserve for Street Opening	10,116.70	9,866.70
	<u>1,177,797.92</u>	<u>990,833.90</u>
	<u>\$ 1,183,101.67</u>	<u>\$ 994,259.13</u>

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash	\$ 1,102,003.27	25,942.66
Deferred Charges to Future Taxation -		
Funded	880,000.00	1,040,000.00
Unfunded	4,493,511.00	3,678,048.50
Interfunds and Receivables		
Federal Grant Receivable	24,000.00	432,000.00
State Grant Receivable	2,506,721.62	1,859,530.35
Due from Current Fund		563,712.12
Due from Federal and State Grant Fund	218,739.66	243,739.66
Due from Sewer Utility Capital	266,985.41	266,985.41
	<u>9,491,960.96</u>	<u>8,109,958.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	414,578.43	243,825.57
County Advance for Open Space	922,374.00	922,374.00
Interfunds:		
Due to Current Fund	202,933.14	
Due Sewer Operating	200,000.00	
Bond Anticipation Notes Payable	2,698,000.00	3,108,050.00
Serial Bonds Payable	880,000.00	1,040,000.00
Improvement Authorizations:		
Funded	1,663,355.62	1,080,513.16
Unfunded	2,299,284.20	1,578,051.23
Reserve for Debt Service	14,133.09	9,542.55
Reserve for Capital Projects	32,201.38	32,201.38
Capital Improvement Fund	48,883.09	61,383.09
Fund Balance	116,218.01	34,017.72
	<u>\$ 9,491,960.96</u>	<u>8,109,958.70</u>

There were bonds and notes authorized but not issued at December 31

2023	569,998.50
2024	1,795,511.00

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ 34,017.72	30,816.05
Increased by:		
Premiums on sale of Bonds & Notes	-	3,201.67
Improvement Authorizations Canceled	<u>82,200.29</u>	<u>3,201.67</u>
	82,200.29	3,201.67
Decreased by:		
None		
Ending Balance December 31	<u>\$ 116,218.01</u>	<u>34,017.72</u>

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2024	2023
<b>ASSETS</b>		
Operating Fund:		
Cash	\$ 399,186.93	315,185.23
Interfunds and Receivables		
Due from Sewer Capital Fund	110,468.00	110,456.39
Due from General Capital	200,000.00	
	709,654.93	425,641.62
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	865.94	923.53
Utility Liens		1,523.49
	865.94	2,447.02
Total Operating Fund	710,520.87	428,088.64
Capital Fund:		
Cash - Treasurer	1,069.42	1,057.81
Interfunds and Receivables		
Due from State of New Jersey - NJEIT	603,398.00	603,398.00
Fixed Capital	7,821,952.18	7,821,952.18
Fixed Capital - Authorized and Uncompleted	2,110,000.00	2,110,000.00
Total Capital Fund	10,536,419.60	10,536,407.99
	\$ 11,246,940.47	10,964,496.63

**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2024	2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 133,762.43	88,093.32
Reserve for Encumbrances	5,500.00	2,021.36
Accounts Payable	1,245.88	
Utility Overpayments	1,616.07	1,684.85
Accrued Interest on Bonds and Notes	5,458.25	7,928.32
Due Current Fund	185,144.78	
Interfunds:		
Due to Voorhees Township	70,200.00	70,200.00
	402,927.41	169,927.85
Reserve for Receivables	865.94	2,447.02
Fund Balance	306,727.52	255,713.77
Total Operating Fund	710,520.87	428,088.64
Capital Fund:		
Interfunds:		
Due to Current Fund	24,000.00	24,000.00
Due to Sewer Operating Fund	110,468.00	110,456.39
Due to General Capital	266,985.41	266,985.41
Serial Bonds Payable	155,000.00	305,000.00
NJEIT Bonds Payable	100,000.00	115,000.00
USDA Loan Payable	385,173.85	393,151.82
Improvement Authorizations:		
Funded	250,021.89	250,021.89
Unfunded	245,290.00	245,290.00
Reserve for Amortization	8,810,020.27	8,637,042.30
Reserve for Deferred Amortization	142,500.00	142,500.00
Reserve for Improvements	40,000.00	40,000.00
Reserve for Debt Service	1,960.18	1,960.18
Capital Improvement Fund	5,000.00	5,000.00
Total Capital Fund	10,536,419.60	10,536,407.99
	\$ 11,246,940.47	10,964,496.63

There were bonds and notes authorized but not issued at December 31

	2023	339,258.06
	2024	339,258.06

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance	\$ 140,000.00	140,000.00
Rents	275,665.24	311,781.27
Miscellaneous Revenue Anticipated	77,479.20	8,548.87
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	76,358.24	4,122.28
Total Income	<u>569,502.68</u>	<u>464,452.42</u>
Expenditures		
Operations	194,000.00	159,000.00
Debt Service	184,488.93	185,176.97
Refund of Prior Year Revenue	-	150.00
Total Expenditures	<u>378,488.93</u>	<u>344,326.97</u>
Excess in Revenue	<u>191,013.75</u>	<u>120,125.45</u>
Fund Balance January 1	<u>255,713.77</u>	<u>275,588.32</u>
	446,727.52	395,713.77
Decreased by:		
Utilization as Anticipated Revenue	<u>140,000.00</u>	<u>140,000.00</u>
Fund Balance December 31	<u>\$ 306,727.52</u>	<u>255,713.77</u>

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ -	-
Increased by:		
None	-	-
Decreased by:		
Utility Capital Surplus Appropriation	-	-
Ending Balance December 31	<u>\$ -</u>	<u>-</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 140,000.00	140,000.00	
Rents	280,000.00	275,665.24	(4,334.76)
Miscellaneous		77,479.20	77,479.20
	<u>\$ 420,000.00</u>	<u>493,144.44</u>	<u>73,144.44</u>

## Analysis of Realized Revenue:

## Sewer Rents

## Consumer Accounts Receivable:

Current Collections	272,456.90
Overpayments Applied	1,684.85
Sewer Liens	1,523.49

275,665.24

## Miscellaneous

Connection Fees	73,150.00
Interest on Delinquent Accounts	1,772.36
Interest on Investments	2,556.84

77,479.20

**SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 9,500.00	9,500.00	5,465.98	4,034.02	
Other Expenses	184,500.00	184,500.00	49,271.59	5,500.00	129,728.41
	<u>194,000.00</u>	<u>194,000.00</u>	<u>54,737.57</u>	<u>5,500.00</u>	<u>133,762.43</u>
Debt Service:					
Payment of Bond Principal	150,000.00	150,000.00	150,000.00		
Interest on Bonds	11,000.00	11,000.00	8,487.50		2,512.50
USDA & NJEIT Bonds & Loans	65,000.00	65,000.00	26,001.43		38,998.57
	<u>226,000.00</u>	<u>226,000.00</u>	<u>184,488.93</u>	<u>-</u>	<u>41,511.07</u>
	<u>420,000.00</u>	<u>420,000.00</u>	<u>239,226.50</u>	<u>5,500.00</u>	<u>41,511.07</u>
Statement of Expenditures:					
Accrued Interest on Bonds			20,930.96		
Earnings and Project credits			218,295.54		
Disbursed			<u>239,226.50</u>		

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2024</u>	<u>2023</u>
General Fixed Assets:		
Land	\$ 12,608,900.00	\$ 12,720,350.00
Buildings and Building Improvements	5,356,700.00	5,356,700.00
Vehicles	1,845,882.00	1,801,630.00
Machinery and Equipment	452,995.00	452,995.00
Total General Fixed Assets	<u>\$ 20,264,477.00</u>	<u>\$ 20,331,675.00</u>
Investment in General Fixed Assets	<u>\$ 20,264,477.00</u>	<u>\$ 20,331,675.00</u>

The Accompanying Notes to the Financial Statements are an  
Integral Part of this Statement

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the Borough of Gibbsboro include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Gibbsboro, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

**B. Description of Funds**

The accounting policies of the Borough of Gibbsboro 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 Borough of Gibbsboro accounts for its financial transactions through the following separate funds:

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

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in 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 policies in New Jersey follow.

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

Revenues - are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance 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. Appropriation reserves covering unencumbered 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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Inter-funds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets - The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the Borough.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost over \$5,000.00 are capitalized. No depreciation has been provided for 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.

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

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the Borough each year. The tax levy is based on the assessed valuation of taxable property within the Borough. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien being enforced by selling the property in accordance with NJSA 54:5 et. seq.

The Borough is responsible for remitting 100% of the school and county taxes to the respective agency. The loss on delinquent or uncollectible accounts is borne by the Borough and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Gibbsboro to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period.

Levy of Utility Charges – The entity operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and are due July 1.

Interest on Delinquent Utility Charges - It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum of the amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Borough of Gibbsboro to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

**E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**F. Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2024:

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the School District's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the Borough's financial reporting for the year ended December 31, 2024.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the Borough's financial reporting for the year ended December 31, 2024.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the Borough's financial reporting for the year ended December 31, 2024.

**G. Recent Accounting Pronouncements Not Yet Effective**

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, and all reporting periods, thereafter, will not have any significant effect on the Borough's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the Borough's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No, 104, "Disclosure of Certain Capital Assets". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the Borough's financial reporting.

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the Borough is required to establish a reserve for uncollected taxes. The 2024 and 2023 statutory budgets included a reserve for uncollected taxes in the amount of \$242,485.13 and \$239,809.93. To balance the budget, the Borough is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2024 and 2023 statutory budgets was \$800,000.00 and \$800,000.00. In addition, the entity operates a self-liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2024 and 2023 statutory budgets was \$140,000.00 and \$140,000.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers

**BOROUGH OF GIBBSBORO  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

can be made in the form of a resolution and approved by Borough Council. The following significant budget transfers were approved in the 2024 and 2023 calendar years:

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
<u>Current Fund:</u>	None	None

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2024, Borough Council approved budget insertions in the amount of \$1,333,166.32. In 2023, the Borough Council approved insertions in the amount of \$721,252.00.

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure 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. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. The Governing Body did not approve any emergency authorizations during the 2024 and 2023 calendar years. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years.

**NOTE 3: INVESTMENTS**

As of December 31, 2024 and 2023, the Borough had no investments.

**Interest Rate Risk.** The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments includes Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The Borough places no limit on the amount the entity can invest in any one issuer.

**NOTE 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. As of December 31, 2024, \$1,187,915.48 of the Borough’s bank balance of \$4,306,962.27 was exposed to custodial credit risk.

**NOTE 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2024, and 2023:

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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	Balance 12/31/2023	Additions	Retirements/ Adjustments	Balance 12/30/2024
Land	\$ 12,720,350.00		111,450.00	12,608,900.00
Building	5,356,700.00			5,356,700.00
Equipment and Machinery	452,995.00			452,995.00
Vehicles	1,801,630.00	73,752.00	29,500.00	1,845,882.00
	<u>\$ 20,331,675.00</u>	<u>73,752.00</u>	<u>140,950.00</u>	<u>20,264,477.00</u>

  

	Balance 12/31/2022	Additions	Retirements/ Adjustments	Balance 12/31/2023
Land	\$ 12,533,900.00	186,450.00		12,720,350.00
Building	5,356,700.00			5,356,700.00
Equipment and Machinery	426,140.00	33,990.00	7,135.00	452,995.00
Vehicles	1,739,596.00	62,034.00		1,801,630.00
	<u>\$ 20,056,336.00</u>	<u>282,474.00</u>	<u>7,135.00</u>	<u>20,331,675.00</u>

**NOTE 6: SHORT-TERM OBLIGATIONS**

The following schedules are a summarization of the changes in short – term debt for the calendar years ended December 31, 2024, and 2023:

	12/31/2023	Issued	Retired	12/31/2024
Notes Payable:				
Bond Anticipation				
General Capital	3,108,050.00		410,050.00	2,698,000.00
Sewer Utility Capital	-	-	-	-
Total	<u>\$ 3,108,050.00</u>	<u>-</u>	<u>410,050.00</u>	<u>2,698,000.00</u>

  

	12/31/2022	Issued	Retired	12/31/2023
Notes Payable:				
Bond Anticipation				
General Capital	2,727,500.00	3,108,050.00	2,727,500.00	3,108,050.00
Sewer Utility Capital	-	-	-	-
Total	<u>\$ 2,727,500.00</u>	<u>3,108,050.00</u>	<u>2,727,500.00</u>	<u>3,108,050.00</u>

The Borough has a bond anticipation notes outstanding for \$1,987,245.00 in the General Capital Fund at December 31, 2024. The first note matured on March 25, 2025, at an interest rate of 4.5% per annum. The note was renewed for an additional year after a payment of \$132,245.00 and new proceeds from notes authorized in 2024 of \$380,000.00. The new note is for \$2,235,000.00 at an interest rate of 4% per annum. The second note matures for \$710,755.00 in the General Capital Fund matures at 12/31/2025, at an interest rate of 0.00%

As of December 31, 2024, the Borough has authorized but not issued bonds in the amount of \$1,795,511.00 and \$339,258.06 in the General Capital Fund and Water Sewer Utility Capital Funds respectively.

As of December 31, 2023, the Borough has authorized but not issued bonds in the amount of \$569,998.50 and \$339,258.06 in the General Capital Fund and Water Sewer Utility Capital Funds respectively.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7: LONG TERM DEBT**

Long-term debt as of December 31, 2024, and 2023 consisted of the following:

	Balance 12/31/2023	Issued	Retired	Balance 12/31/2024	Amounts Due Within One Year
Bonds payable:					
General	\$ 1,040,000.00	-	160,000.00	880,000.00	160,000.00
Utility	305,000.00	-	150,000.00	155,000.00	155,000.00
Total	<u>\$ 1,345,000.00</u>	<u>-</u>	<u>310,000.00</u>	<u>1,035,000.00</u>	<u>315,000.00</u>
Other liabilities:					
Sewer:					
NJ I Bank Loan Payable	\$ 115,000.00		15,000.00	100,000.00	20,000.00
USDA Loans Payable	393,151.82	-	7,977.97	385,173.85	8,186.30
Compensated Absences Payable	19,392.93	18,394.58	8,476.19	29,311.32	6,385.08
Total long-term liabilities	<u>\$ 1,872,544.75</u>	<u>18,394.58</u>	<u>341,454.16</u>	<u>1,549,485.17</u>	<u>349,571.38</u>
	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Amounts Due Within One Year
Bonds payable:					
General	\$ 1,430,000.00		390,000.00	1,040,000.00	160,000.00
Utility	450,000.00		145,000.00	305,000.00	150,000.00
Total	<u>\$ 1,880,000.00</u>	<u>-</u>	<u>535,000.00</u>	<u>1,345,000.00</u>	<u>310,000.00</u>
Other liabilities:					
Sewer:					
NJ I Bank Loan Payable	130,000.00		15,000.00	115,000.00	15,000.00
USDA Loan Payable	400,922.08		7,770.26	393,151.82	7,975.56
Compensated Absences Payable	11,832.31	12,521.87	4,961.25	19,392.93	8,476.19
Total long-term liabilities	<u>\$ 2,422,754.39</u>	<u>12,521.87</u>	<u>562,731.51</u>	<u>1,872,544.75</u>	<u>341,451.75</u>

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**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7: LONG TERM DEBT (Continued)**

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:**

\$2,120,000 General Improvement Bonds dated December 15, 2015, due in annual installments through December 2029, bearing interest at various rates. The balance remaining as of December 31, 2024, is \$880,000.00.

**Outstanding bonds and loans whose principal and interest are paid from the Utility Operating Fund of the entity:**

\$1,780,000 Sewer Utility Refunding Bond dated October 19, 2010, due in annual installments through February 2025, bearing interest at various rates. The balance remaining as of December 31, 2024, is \$155,000.00.

\$270,000 New Jersey Environmental Infrastructure Trust Fund Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest of varying rates. The balance remaining as of December 31, 2024, is \$100,000.00.

\$450,000.00 USDA Bonds dated November 4, 2015, due in semiannual installments through May 2056, bearing interest at 2.625%. The balance remaining as of December 31, 2024, is \$385,173.85.

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

Year	General Fund		Utility Fund	
	Principal	Interest	Principal	Interest
2025	\$ 160,000.00	\$ 24,500.00	\$ 155,000.00	\$ 5,425.00
2026	180,000.00	20,700.00		
2027	180,000.00	16,200.00		
2028	180,000.00	10,800.00		
2029	180,000.00	5,400.00		
	<u>\$ 880,000.00</u>	<u>\$ 77,600.00</u>	<u>\$ 155,000.00</u>	<u>\$ 5,425.00</u>

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

Year	Principal	Interest	Total
2025	\$ 28,186.30	\$ 13,957.70	\$ 42,144.00
2026	28,402.60	12,941.40	41,344.00
2027	28,624.61	12,019.39	40,644.00
2028	28,852.50	10,991.50	39,844.00
2029	29,086.40	9,957.60	39,044.00
2030-2034	49,162.65	42,057.36	91,220.01
2035-2039	56,010.02	35,209.98	91,220.00
2040-2044	63,811.05	27,408.95	91,220.00
2045-2049	72,698.66	18,521.34	91,220.00
2050-2054	82,824.09	8,395.91	91,220.00
2055-2057	17,514.97	345.73	17,860.70
	<u>\$ 485,173.85</u>	<u>\$ 191,806.86</u>	<u>\$ 676,980.71</u>

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7: LONG TERM DEBT (Continued)**

As of December 31, 2024, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the Current budget was \$98,481.59 and to the Utility budget was \$20,930.96.

<u>Summary of Municipal Debt</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 3,578,000.00	\$ 4,148,050.00	\$ 4,157,500.00
Sewer Utility - Bonds, Loans and Notes	640,173.85	813,151.82	980,922.08
Total Issued	<u>4,218,173.85</u>	<u>4,961,201.82</u>	<u>5,138,422.08</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	1,795,511.00	569,998.50	622,450.00
Sewer Utility - Bonds and Notes	339,258.06	339,258.06	339,258.06
Total Authorized But Not Issued	<u>2,134,769.06</u>	<u>909,256.56</u>	<u>961,708.06</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 6,352,942.91</u>	<u>\$ 5,870,458.38</u>	<u>\$ 6,100,130.14</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.864%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 825,000.00	825,000.00	-
Regional School District Debt	-	-	-
Sewer Utility Debt	979,431.91	979,431.91	-
General Debt	5,373,511.00	-	5,373,511.00
	<u>7,177,942.91</u>	<u>1,804,431.91</u>	<u>5,373,511.00</u>

Net Debt \$5,373,511 ÷ Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$288,181,064.00= 1.864%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 10,086,337.00
Net Debt	5,373,511.00
Remaining Borrowing Power	<u>\$ 4,712,826.00</u>

The Chief Financial Officer should file a revised Annual Debt Statement.

The Borough of Gibbsboro School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances as of December 31, 2024, 2023 and 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, , 2024, 2023 and 2022 were as follows:

	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Utilized
Current Fund			
2024	\$ 751,551.44	700,000.00	93.14%
2023	1,158,046.94	800,000.00	69.08%
2022	1,251,810.30	800,000.00	63.91%
Sewer Operating			
2024	306,727.52	210,899.53	68.76%
2023	255,713.77	140,000.00	54.75%
2022	275,588.32	140,000.00	50.80%

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of NJ for Senior Citizens and Veterans Deductions, deferred charges, and cash deficit.

**NOTE 9: SCHOOL TAXES**

Local District School Tax in the amounts of \$3,980,533.00 and \$3,748,476.00 have been raised for the 2024 and 2023 calendar years and remitted or due to the local school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service, if any.

Regional High School Tax in the amounts of \$1,658,613.00 and \$1,528,302.00 have been raised for the 2024 and 2023 calendar years and remitted to the regional high school district.

	Regional School Tax Balance 12/31/2024	Regional School Tax Balance 12/31/2023
Balance of Tax	\$ 414,660.50	\$ 382,080.50
Deferred	360,245.50	360,245.50
Tax Payable	<u>\$ 54,415.00</u>	<u>\$ 21,835.00</u>

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 10: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/24	Balance 12/31/23
Prepaid Taxes	\$ 103,482.59	\$ 106,827.28
Cash Liability for Taxes Collected in Advance	<u>\$ 103,482.59</u>	<u>\$ 106,827.28</u>

**NOTE 11: PENSION FUNDS**

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in 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 or any county, Borough, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective July 1, 2018, PERS provided for employee contributions of 7.50% of the employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 17.61% of covered wages. The entity's contributions to PERS for the years ended December 31, 2024, 2023, and 2022 were \$37,858.27, \$23,888.00, and \$22,454.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation,

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11: PENSION FUNDS (Continued)**

as defined. Employers are required to contribute at an actuarially determined rate. The current PFRS rate is 36.54% of covered payroll. The entity's contributions to PFRS for the years ended December 31, 2024, 2023, and 2022 were \$114,023.88, \$136,509.00, and \$134,509.00.

The total payroll for the year ended December 31, 2024, 2023, and 2022 was \$936,088.74, \$972,515.32, and \$850,494.34. Payroll covered by PFRS was \$279,090, \$381,061, and \$315,108. Payroll covered by PERS was \$288,276, \$256,764, and \$217,541.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11: PENSION FUNDS (Continued)**

plans at the annual wage contribution base for social security and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 12: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the Borough's pension liabilities. However, due to the fact that the Borough reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the Borough's pension liabilities as June 30, 2023:

**Public Employees' Retirement System**

The Borough has a liability of \$410,138 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, that was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Borough's proportion would be 0.0028315921%, which would be an increase of 49.48% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Borough would have recognized pension expense of (\$26,151). At December 31, 2023, the Borough would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 3,921	\$ (1,677)
Changes of assumptions	901	(24,856)
Changes in proportion	125,466	(42,356)
Net difference between projected and actual earnings on pension plan investments	1,889	-
<b>Total</b>	<b>\$ 132,177</b>	<b>\$ (68,889)</b>

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12: PENSION LIABILITIES (Continued)**

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,			
2024	\$	114,126	
2025		45,316	
2026		(101,543)	
2027		6,255	
2028		(867)	
Total	\$	<u>63,288</u>	

**Actuarial Assumptions**

The total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12: PENSION LIABILITIES (Continued)**

and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 in determining the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.*

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 494,565	\$ 410,138	\$ 338,357

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12: PENSION LIABILITIES (Continued)**

*Pension plan fiduciary net position.*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial report.

**Police and Firemen’s Retirement System**

The Borough has a liability of \$945,752 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2022, that was rolled forward to June 30, 2023. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Borough’s proportion would be 0.00855979%, which would be a decrease of 18.45% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Borough would have recognized pension expense of (\$33,184). At December 31, 2023, the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 40,495	\$ (45,104)
Changes of assumptions	2,041	(63,861)
Changes in proportion	228,624	(439,979)
Net difference between projected and actual earnings on pension plan investments	48,165	
Total	<u>\$ 319,325</u>	<u>\$ (548,944)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2024	\$	(678,431)
2025		(609,106)
2026		1,056,652
2027		(63,025)
2028		56,837
Thereafter		7,454
Total	\$	<u>(229,619)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation of July 1, 2021, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: PENSION LIABILITIES (Continued)**

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 16.25% (based on years of service)
Investment rate of return:	7.00%

Employee 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. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023, are summarized in the following table:

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

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12: PENSION LIABILITIES (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for 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 Borough's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective 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:

	(6.00%)	(7.00%)	(8.00%)
District's proportionate share of the net pension liability	319,761	945,752	1,265,513

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$2,035,866,759.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2023 State special funding situation pension expense of \$231,575,656.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required 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. For fiscal year 2023, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.00855979% for 2023. The net pension liability amount allocated to the Municipality was \$174,266. For the fiscal year ending June 30, 2023, State special funding situation pension expense of \$24,669 is allocated to the Municipality.

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 13: POST-RETIREMENT BENEFITS**

*General Information about the Plan:*

The Southern New Jersey Regional Employee Benefits Fund (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan.

The Borough offers medical and prescription drug coverage to 1 eligible retiree.

The Borough of Gibbsboro contributions for post-retirement benefits for the year ended December 31, 2024, and 2023 were \$7,476.00 and \$7,152.00 respectively.

The Regulatory Basis of Accounting does not permit the accrual of Actuarially determined OPEB Expenses or Liabilities. The Borough reports all OPEB related costs on the "pay as you go" basis. The following information is for disclosure purposes only and has not been accrued in the Financial Statements of the Borough.

The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 75.

The actuarial valuation report was based on 1 total participant which is a retiree.

**Annual OPEB Cost and Net OPEB Liability**

The Borough annual OPEB cost represents the accrued cost for post-employment benefits under GASB 75. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements.

**Total OPEB Liability and Net OPEB Liability**

The Total OPEB Liability ("TOL") is the actuarial accrued liability. The Net OPEB Liability ("NOL") is the TOL less the Fiduciary Net Position (assets). Since there are no plan assets to offset the liability, the two are equal.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 13: POST-RETIREMENT BENEFITS (Continued)**

Total OPEB Liability Active	\$	-
Total OPEB Liability Retired		81,084.00
Total OPEB liability		<u>81,084.00</u>
Plan Fiduciary Net Position	\$	-
Net OPEB Liability		81,084.00
Net Position/OPEB Liability		0.00%

**Sensitivity Impact of 1% Change in the Discount Rate.**

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1% per annum, the NOL would decrease and if it were to decrease by 1% the NOL would increase.

	1% Decrease	Current Discount Rate	1% Increase
	<u>3.28%</u>	<u>4.28%</u>	<u>5.28%</u>
Total OPEB Liability	\$ <u>86,905</u>	\$ <u>81,084</u>	\$ <u>75,863</u>

**Sensitivity Impact of 1% Change in the Trend Rate.**

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1% per annum, the NOL would increase and if it were to decrease by 1% the NOL would decrease.

	1% Decrease	Current Healthcare Trend	1% Increase
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total OPEB Liability	\$ <u>76,625</u>	\$ <u>81,084</u>	\$ <u>85,933</u>

The following reflects the change in the Total OPEB Liability for the year ended December 31, 2024.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13: POST-RETIREMENT BENEFITS (Continued)**

	<u>2024</u>	<u>2023</u>
OPEB Liability, Beginning of Year	\$ 72,393	\$74,551
Changes for the Year:		
Service Cost		
Interest	2,746	3,059
Change in Benefit Terms		
Assumption Changes & Difference		
Between Actual & Expected Experience	14,907	2,559
Changes in Assumptions	(1,486)	(624)
Benefit Payments	(7,476)	(7,152)
OPEB Liability, End of Year	\$ <u>81,084</u>	<u>72,393</u>
Covered payroll (for Covered Participants)	\$ N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2024, the Borough’s Actuarially determined OPEB expense was \$16,167. As of December 31, 2024, the Borough reported that There are no deferred inflows or outflows for the Borough of Gibbsboro. There are only retired participants, so any gains/losses must be immediately recognized leaving no deferred amounts.

**NOTE 14: ACCRUED SICK AND VACATION BENEFITS**

During the year ended December 31, 2000, the Borough implemented a compensated absences program for the Police Department only. Police department employees were permitted to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets or prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate for 2024 and 2023 respectively \$29,311.32 and \$19,392.93.

**NOTE 15: ECONOMIC DEPENDENCY**

The Borough of Gibbsboro is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

**NOTE 16: RISK MANAGEMENT**

The entity 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.

**Property and Liability Insurance** - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2024, and 2023 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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The entity is a member of the Camden County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Camden County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability insurance under JIF and MEL.

**NOTE 17: DEFERRED COMPENSATION**

The Borough does not offer its employees a deferred compensation plan.

**NOTE 18: CONTINGENT LIABILITIES**

**Grantor Agencies**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with the terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2024, the Borough estimates that no material liabilities will result from such audits.

**Litigation**

From time to time, the entity is a defendant in legal proceedings relating to its operations as a Borough. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**Tax Appeals**

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriations for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2024.

**NOTE 19: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2024, the following inter-funds were included on the balance sheets of the various funds of the Borough of Gibbsboro:

**BOROUGH OF GIBBSBORO  
NOTES TO FINANCIAL STATEMENTS  
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	<u>Due From</u>	<u>Due To</u>
<b>Current Fund:</b>		
Animal Control Fund	\$ 89.35	
General Capital Fund	202,933.14	
Federal and State Grant Fund		246,766.87
Sewer - Operating	185,144.78	
Sewer - Capital	24,000.00	
TTL Redemption	286.61	
Trust Other	2,841.05	
<b>Grant Fund:</b>		
Current Fund	246,766.87	
General Capital Fund		218,739.66
<b>General Capital Fund:</b>		
Current Fund		202,933.14
Sewer Capital	266,985.41	
Sewer - Operating		200,000.00
Grant Fund	218,739.66	
<b>Sewer Operating:</b>		
Current Fund		185,144.78
General Capital Fund	200,000.00	
Sewer Capital	110,468.00	
<b>Sewer Capital Fund:</b>		
Current Fund		24,000.00
General Capital Fund		266,985.41
Sewer Operating		110,468.00
<b>Trust Other Fund:</b>		
Current - Trust Other		2,841.05
Tax Title Lien Trust		286.61
<b>Animal Control Fund:</b>		
Current Fund		89.35
	<u>\$ 1,458,254.87</u>	<u>1,458,254.87</u>

The significant amount due to the Grant fund from the Current fund is due to the Borough only having one bank account to disburse from for Current and Grant expenditures. The interfund due General Capital from the grant fund was due to grant reimbursements for capital items. The remaining inter-funds are due to amounts that should have been transferred to the proper bank accounts.

**NOTE 20: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024, and May 9, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the Borough that would require disclosure.

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**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

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\_\_\_\_\_, 2026

Borough Council of the  
Borough of Gibbsboro, in the  
County of Camden, New Jersey

Dear Council Members:

We have acted as bond counsel to the Borough of Gibbsboro, in the County of Camden, New Jersey (the "Borough"), in connection with the issuance by the Borough of its \$4,030,000 General Improvement Bonds, Series 2026 (the "Bonds"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Borough adopted on February 25, 2026, in all respects duly approved, and the bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the Borough, and the Borough has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Borough has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Borough continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Borough in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

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