



# SOUTH JERSEY PORT CORPORATION



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# 2023

ANNUAL REPORT

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# A MESSAGE FROM OUR LEADERSHIP

We are thrilled to present the 2023 Annual Report for the South Jersey Port Corporation. This past year has been a testament to our unwavering dedication to excellence, innovation, and sustainable growth. As we reflect on our achievements and navigate the challenges, we are reminded of the resilience and ingenuity that define our organization and the maritime industry as a whole.

The year 2023 presented unique challenges, from navigating continuing global supply chain disruptions to adapting to ever-evolving regulatory landscapes. Yet, in the face of adversity, we remained steadfast, swiftly adapting our strategies to ensure operational continuity. Our ability to overcome these challenges underscores the strength of our team and the enduring partnerships we share with our stakeholders.

2023 marked a year of remarkable achievements for the South Jersey Port Corporation. We are proud to highlight key accomplishments that demonstrate our commitment to excellence:

- **Community Outreach Initiatives:** Our commitment to the local community was further solidified through expanded outreach programs. By promoting economic growth and fostering positive engagement, we reinforced our role as a responsible corporate citizen dedicated to the betterment of our region.
- **Infrastructure Upgrades:** Embracing a vision of continuous improvement, significant investments were made in the modernization of our rail systems, buildings, facilities, and equipment. These upgrades not only enhanced operational efficiency but also bolstered our capacity to meet the demands of our industry.
- **Honoring the Norse Camden:** We are proud to have the Clipper Bulk ship, the Norse Camden, named after our home city. This distinction not only underscores our significance within the maritime domain but also serves as a testament to the historical and cultural heritage of our community on a global scale.

These accomplishments stand as a testament to the collective effort and dedication of our team and the invaluable support of our stakeholders. We extend our heartfelt gratitude to our customers, employees, regulatory partners, and the communities we serve. Your unwavering support fuels our drive for excellence and inspires us to pursue new horizons.

As we embark on the journey into 2024 and beyond, we remain steadfast in our commitment to setting new standards of excellence in maritime operations, sustainability, and community engagement. Our strategic vision is anchored in adaptability, innovation, and the pursuit of shared prosperity.

We are immensely proud of what we accomplished in 2023, and we eagerly anticipate the opportunities that lie ahead. With your continued support and our unwavering determination, the South Jersey Port Corporation is poised for continued success and growth.

Thank you for being an integral part of our journey towards a brighter future.



**RICHARD A. ALAIMO**  
Chairman of the Board



**ANDREW SAPORITO**  
Executive Director and CEO



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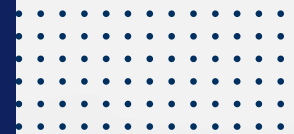
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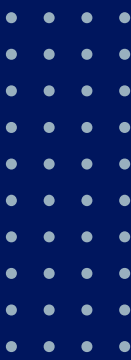
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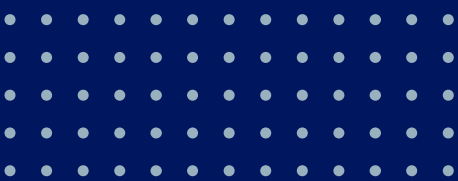
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# OUR MISSION

*The South Jersey Port Corporation (SJPC) provides world-class facilities and beneficial services which support and accommodate the transportation of goods and commodities, both by water and by land. It is the mission of the SJPC to foster regional economic development through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and infrastructure investment for the benefit of our Port District, including the cities of Camden, Paulsboro, and Salem, New Jersey.*



# OUR IMPACT

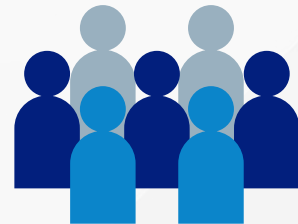
*The SJPC is a pillar of the Delaware River Maritime economy which is a \$77.8 billion economic engine supporting more than 190,000 jobs across three states. The SJPC and the 40+ port related businesses are among Camden's largest employers and taxpayers.*



**\$77.8 BILLION**

Regional Economic Impact

**Job Creation**



Supports 190,000+ Jobs  
Direct Employment = 124



**40+**

Camden Port  
Related Businesses



# HISTORY



*The South Jersey Port Corporation is the offspring of the Delaware Port Commission established by the New Jersey State Legislature on March 10, 1925. The Commission's job was to study the maritime assets in southern New Jersey and recommend how best to harness those assets to energize the region's economy.*

*A year later, the State Legislature enacted the Commission's recommendations. It created the South Jersey Port Commission with maritime economic development jurisdiction over the South Jersey Port District.*

*The Commission was tasked with "the duties and power, among others, to lease, erect, construct and maintain port facilities" in the newly created South Jersey Port District comprised of the State's seven southern counties: Camden, Gloucester, Salem, Cumberland, Burlington, Cape May, and Mercer.*

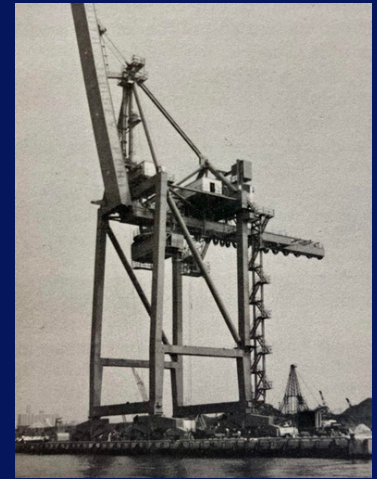
*In 1968, responding to the closing of the New York Shipbuilding Corporation in South Camden, the legislature reorganized the South Jersey Port Commission at the South Jersey Port Corporation to convert the shipyard, with its massive ship-ways and buildings, into a deep-water marine terminal. As with its predecessor, the Port Corporation's port development mission and bonds, are supported by the "full faith and credit of the State of New Jersey."*

*With support from the state, the SJPC has grown from one marine terminal in the City of Camden to four terminals throughout the district: the former shipyard as Broadway Marine Terminal; the former Camden Municipal Marine terminal, now the Balzano Marine Terminal; the Salem Marine Terminal; and the new Paulsboro Marine Terminal.*

*With the Camden terminals at full capacity, the Port Corporation began the development of the Paulsboro Marine Terminal in 2007. It was the first new general cargo port to be developed along the Delaware River in 50 years and opened for business in March of 2017.*



# HISTORY



- **1927:** *The South Jersey Port Commission begins operations.*
- **1931:** *Beckett Street Terminal opens.*
- **1965:** *Two 25-ton capacity whirly gantry cranes are purchased.*
- **1968:** *State Legislature revamps the Port Commission into the South Jersey Port Corporation.*
- **1971:** *The New York Shipbuilding Co. site is re-opened as the Broadway Terminal*
- **1979:** *The Port of Camden becomes the second largest lumber port on the US East Coast.*
- **1986:** *Mainland China calls on the Port of Camden for the first time in 40 years.*
- **1991:** *SJPC handles a record breaking 1 million tons of export scrap metal.*
- **1994:** *A new berth is constructed at the Beckett St Terminal, an agreement is finalized for SJPC to oversee the Port of Salem.*
- **1999:** *SJPC + DelMonte Fresh Fruit complete a 76,500-square-foot, temperature-controlled warehouse, more than doubling the port's annual fruit handling capacity.*
- **2000:** *SJPC + St. Lawrence Cement Company commence a 45-year lease bringing \$60 million in private investment to the City of Camden.*
- **2002:** *SJPC issued major economic development program through a bond issue that funded the construction of Pier 1A and the purchase of heavy lift Kocks crane (Holcim).*
- **2005:** *SJPC authorized \$135 million in bonds for development of Paulsboro Marine Terminal.*
- **2006:** *The Port of Camden handles more than 3 million tons of cargo for the year, breaking previous records set in each of the previous three years.*
- **2008:** *SJPC joins the DRPA and PRPA in a region-wide Green Port Initiative.*
- **2009:** *The SJPC breaks ground on its new omniport in Paulsboro, the Paulsboro Marine Terminal scheduled to open in late 2012.*
- **2011:** *Beckett Street Marine Terminal is renamed Joseph A. Balzano Marine Terminal in honor of SJPC's late executive director Joe Balzano.*
- **2014:** *SJPC sets new import steel record with nearly 1 million tons crossing its wharves in 2014.*
- **2017:** *SJPC opens the Paulsboro Marine Terminal.*

# OUR TEAM – BOARD OF DIRECTORS



**Chairman**  
**Richard A. Alaimo**  
Burlington County



**Director**  
**Chad M. Bruner**  
Gloucester County



**Director**  
**Christopher Chianese**  
Treasurer's Designee



**Director**  
**Robert A. DeAngelo, Sr.**  
City of Paulsboro



**Director**  
**Jonathan S. Gershen**  
Mercer County



**Director**  
**William R. Higgins**  
Salem County



**Director**  
**Joseph A. Maressa, Jr.**  
Camden County



**Director**  
**Eric E. Martins**  
Mercer County



**Director**  
**Sheila F. Roberts**  
City of Camden



**Director**  
**Elizabeth Maher Muoio**  
NJ State Treasurer



**Director**  
**Rev. Carl E. Styles**  
Cumberland County

*The Board of the South Jersey Port Corporation includes members from the Camden/Gloucester subdistrict; the Burlington/Mercer subdistrict; the Cape May/Cumberland/Salem subdistrict; the Borough of Paulsboro; the City of Camden; and the Treasurer or designee of the State of New Jersey as a permanent ex-officio member.*



# OUR TEAM – EMPLOYEES

## OUR PEOPLE POWER OUR PORT TO SUCCESS

Our Customer-Focused Team is what makes South Jersey Ports stand out. It's the team on the docks, in the warehouses, in the offices, and in transit sheds who deliver– 24/7, 365 days a year– in all sorts of weather extremes– on our commitment to our customers, tenants, and partners.

It's our security force that maintains the safety and integrity of our marine terminals and it's our skilled crew who keep our fleet of forklifts, cargo-handlers, cranes, vehicles, and generators humming and cargo safely flowing. They are always customer-focused.

It's our accounting, financial, and clerical staff who process paperwork crucial to our customers' needs. They realize that nothing moves without proper documentation and approvals. They are focused on accuracy, compliance, and are always timely in their transactions.

All of the employees at the port play a critical role in everyday operations and our success. They are the stewards that drive customer satisfaction.



# JOSEPH A. BALZANO MARINE TERMINAL



*Joseph A. Balzano Terminal is a one-stop, full-service breakbulk facility that handles steel, project cargo, wood products, cocoa beans, recycled materials, and other bulk cargoes. The facility features excellent highway and rail connections via CSX, NS, and Conrail and meets the needs of customers in an efficient, expert, and cost-effective manner.*

<b>LOCATION:</b>	<b>CAMDEN, NEW JERSEY</b>
<b>CARGO HANDLING CAPABILITIES:</b>	<b>ALL TYPES OF BULK, BREAKBULK, CONTAINER, AND RORO.</b>
<b>AREA:</b>	<b>122 ACRES (49 HA)</b>
<b>BERTHS:</b>	<b>4: 2,655 LF (809 M)</b>
<b>DEPTH AT MLW:</b>	<b>35 FT (10.7 M) TO 40 FT (12.2 M)</b>
<b>STORAGE CAPACITY:</b>	<b>1,168,441 SF (108,591 SM)</b>
<b>HEAVY LIFT CRANES:</b>	<b>ONE MULTI-PURPOSE KOCKS BULK/CONTAINER CRANE, 95 T (86 MT); ONE GENERAL-PURPOSE PACECO CARGO/CONTAINER CRANE, 35 T (32 MT)</b>
<b>DIRECT TRANSFER:</b>	<b>DIRECT TO AND FROM TRUCK/RAIL/VESSEL</b>
<b>TRUCK GATES:</b>	<b>BALZANO BOULEVARD MAIN GATE; 6 STORAGE AREA GATES</b>
<b>HIGHWAY ACCESS:</b>	<b>DIRECT ACCESS TO I-676, I-76, US RT.130, AND I-295</b>
<b>RAIL CONNECTIONS:</b>	<b>CSX, NS, AND CONRAIL RAIL SYSTEMS WITH INTEGRATED ON-DOCK RAIL INFRASTRUCTURE</b>
<b>OTHER FEATURES:</b>	<b>FOOD GRADE WAREHOUSING; ALL WAREHOUSES AND SHEDS SERVED BY RAIL; INNOVATIVE DIRECT DISCHARGE FOR BULK CARGOES; CUSTOM CARGO CARRIERS FOR DIRECT DISCHARGE TO STORAGE; ALL-WEATHER LOADING</b>

# BROADWAY TERMINAL

*While ably handling all types of breakbulk and bulk cargoes, the Broadway Marine Terminal is also a bustling industrial park with multiple maritime business-related tenants making Camden their home. Trucking companies, stevedores, tug companies, manufacturers, ship handlers, and a host of other businesses make the facility an efficient and successful place to do business and to ship cargo.*

<b>LOCATION:</b>	<b>CAMDEN, NEW JERSEY</b>
<b>CARGO HANDLING CAPABILITIES:</b>	<b>ALL TYPES OF BULK, BREAKBULK, CONTAINER, AND RORO.</b>
<b>AREA:</b>	<b>140 ACRES (57 HA) (BROADWAY &amp; PIER 5)</b>
<b>BERTHS:</b>	<b>PIER 1 — 900 LF (274 M)   PIER 1A — 850 LF (259 M)</b>
<b>DEPTH AT MLW:</b>	<b>PIER 1 — 32 FT (9.7M)   PIER 1A — 40 FT (12.2M)</b>
<b>STORAGE:</b>	<b>1 MILLION SF (92,903 SM)</b>
<b>CRANES:</b>	<b>MULTI-PURPOSE KOCKS CONTAINER STYLE ELECTRIC — 95 T (86 MT)</b>
<b>HIGHWAY ACCESS:</b>	<b>DIRECT TO I-676, I-76, US RT.130 AND I-295</b>
<b>RAIL:</b>	<b>CSX, NS AND CONRAIL SYSTEMS</b>
<b>OTHER FEATURES:</b>	<b>FULL-SERVICE FACILITY FOR BREAKBULK, BULK AND CONTAINERIZED CARGOES</b>
<b>TARIFF:</b>	<b>GOVERNED BY PORT OF PHILADELPHIA MARINE TERMINAL ASSOCIATION TARIFF OR THE SOUTH JERSEY PORT CORPORATION TARIFF</b>
<b>OPERATOR:</b>	<b>SOUTH JERSEY PORT CORPORATION MANAGES TERMINAL, SHIP LABOR IS THROUGH PMTA STEVEDORES.</b>

## BROADWAY PIER 5

*Broadway Pier 5 is leased by Camden Waterfront, LLC and operated by Southport Distribution. Both companies are part of the Holt Logistics family of companies.*

<b>LOCATION:</b>	<b>CAMDEN, NEW JERSEY</b>
<b>OWNER:</b>	<b>SOUTH JERSEY PORT CORPORATION</b>
<b>LESSEE:</b>	<b>CAMDEN WATERFRONT, LLC</b>
<b>CARGO HANDLING CAPABILITIES:</b>	<b>ALL TYPES OF BULK, BREAKBULK, CONTAINER, AND RORO</b>
<b>BERTHS:</b>	<b>1 BERTH: 1,135 LF (346 M)</b>
<b>DEPTH AT MLW:</b>	<b>35 FT (10.7 M)</b>
<b>REEFER PLUGS:</b>	<b>100</b>
<b>STORAGE CAPACITY:</b>	<b>19,231 SM</b>
<b>HIGHWAY ACCESS:</b>	<b>DIRECT TO I-676, I-76, US RT. 130 &amp; I-295</b>
<b>RAIL CONNECTIONS:</b>	<b>CSX, NS AND CONRAIL SYSTEMS</b>
<b>OTHER FEATURES:</b>	<b>PIER 5 OFFERS A LARGE 1,135-FOOT BERTH AND FOOD-GRADE REFRIGERATED SPACE ON THE NEW JERSEY SIDE OF THE DELAWARE RIVER. THIS FACILITY SPECIALIZES IN STEVEDORING BREAK-BULK FOOD CONTAINERS AND OTHER FOOD SERVICES INCLUDING THE BAGGING, PACKAGING, AND RESTYLING OF FRUIT.</b>

# PAULSBORO MARINE TERMINAL



*The Paulsboro Marine Terminal takes the efficiency of handling bulk steel cargoes to an unprecedented level. Currently handling 600,000 tons of steel product each year, the terminal is located directly across from Philadelphia International Airport and has direct access to Interstate 295 and two Class I Freight Railroads. It is also the epicenter of the offshore wind monopile manufacturing.*

<b>LOCATION:</b>	<b>PAULSBORO, NEW JERSEY</b>
<b>CARGO HANDLING CAPABILITIES:</b>	<b>ALL TYPES OF BULK, BREAKBULK, CONTAINER, AND RORO</b>
<b>AREA:</b>	<b>190 ACRES (77 HA)</b>
<b>BERTHS:</b>	<b>3 BERTHS (3,200 LF   975 M)</b>
<b>DEPTH AT MLW:</b>	<b>45 FT (13.7 M)</b>
<b>HIGHWAY ACCESS:</b>	<b>DIRECT ONE-MILE, LIMITED-ACCESS ROADWAY TO I-295</b>
<b>RAIL:</b>	<b>21,000 FT OF RAIL TRACK ON PREMISE CSX AND NS VIA CONRAIL</b>
<b>OPERATOR:</b>	<b>HOLT LOGISTICS, LLC</b>
<b>OTHER FEATURES:</b>	<b>ONGOING INVESTMENT AND EXPANSION</b>

# SALEM MARINE TERMINAL



*A port of entry since 1682, this SJPC terminal in Salem, New Jersey, is one of the oldest ports on the East Coast. The port handles sand, gravel, and various dry bulks.*

<b>LOCATION:</b>	<b>SALEM, NEW JERSEY</b>
<b>CARGO HANDLING CAPABILITIES:</b>	<b>ALL TYPES OF BULK, BREAKBULK, CONTAINER, AND RORO</b>
<b>AREA:</b>	<b>28 ACRES</b>
<b>BERTHS:</b>	<b>1:350 LF (106.68 M)   130 FT. (39.62 M) SHEATHED</b>
<b>DEPTH AT MLW:</b>	<b>16.5 FT (5 M)</b>
<b>STORAGE CAPACTIV:</b>	<b>60,000 S.F. (5,574 S.M.) OF SHED AND WAREHOUSE SPACE</b>
<b>HIGHWAY ACCESS:</b>	<b>DIRECT ACCESS TO RT. 49, RT. 45 WITH ACCESS TO US 130, I-295 AND NJ TURNPIKE CSX, NS, AND CONRAIL RAIL SYSTEMS WITH INTEGRATED ON-DOCK</b>
<b>RAIL CONNECTIONS:</b>	<b>RAIL INFRASTRUCTURE EASTERN CONCRETE. LABOR IS MANAGED THROUGH THE CITY OF</b>
<b>TERMINAL OPERATOR:</b>	<b>SALEM MUNICIPAL PORT AUTHORITY</b>
<b>SPECIAL FEATURES:</b>	<b>THE PORT OF SALEM IS DESIGNATED AS FOREIGN TRADE ZONE NO. 142 IN COMBINATION WITH NEARBY MILLVILLE EXECUTIVE AIRPORT</b>

# 2023 AT A GLANCE



**5 TERMINALS**  
**3 MUNICIPALITIES**  
**24 TENANTS**



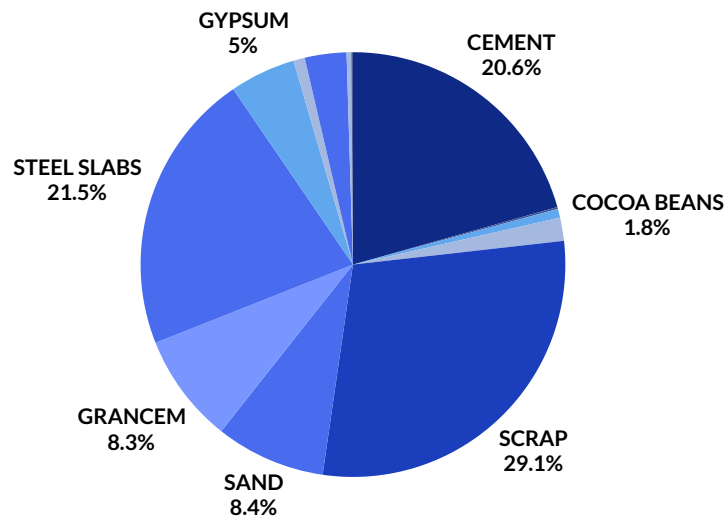
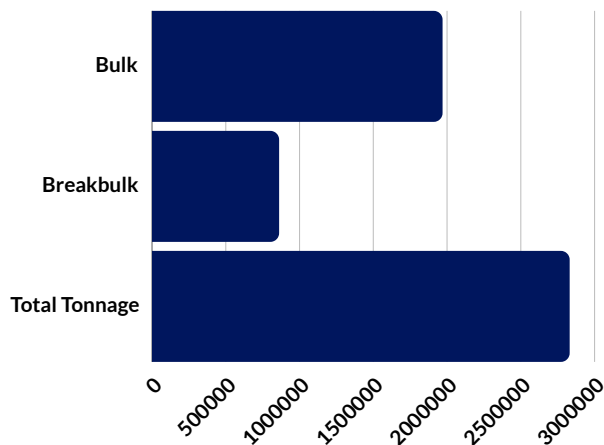
**197**  
**Ship Calls in 2023**



**2,831,260**  
**Tons of Cargo passed**  
**through SJPC in 2023**



## Cargo Tonnage



# 2023 TENANTS

The SJPC offers one of the most viable, cost-effective options in the southern New Jersey and Delaware River Valley regions for businesses that trade, ship, process or distribute maritime-dependent cargoes and products. Tenants of the South Jersey Port Corporation make the Port of Camden a vital and vibrant center of diverse commerce, manufacturing, trade, and transport.

ALLIED SALT

HEIDELBERG MATERIALS

CAMDEN COUNTY DEPT. OF CORRECTIONS

INDUSTRIAL COMMERCIAL

CAMDEN IRON & METAL

JOHN LAWRIE, INC.

CENTRAL METALS

JOSEPH OAT CORPORATION

CAMDEN PLANT HOLDINGS

LYONS & SONS

CAMDEN YARDS STEEL

MID-ATLANTIC SHIPPING

CAMDEN WATERFRONT DEVELOPMENT

NUTSCO

D & M TRANSPORTATION SERVICES

PAULSBORO WATERFRONT DEVELOPMENT

DELAWARE RIVER STEVEDORES

SEAMEN'S CHURCH INSTITUTE

FEDERAL WAREHOUSING & DISTRIBUTION

STATE METALS

FULLINE TRAILER –CHAMPION

TRI-STATE BULK HANDLING, INC.

HARRY WILSON WELDING

US CONCRETE

# 2023 NEWS & HIGHLIGHTS

## U.S. CONGRESSMAN NORCROSS ANNOUNCES \$750,000 FOR SOUTH JERSEY PORT INFRASTRUCTURE IMPROVEMENTS

U.S. Congressman Donald Norcross (NJ-01) announced \$750,000 in new funding that the congressman secured in the FY 2023 omnibus package. The money will be used to stabilize Berth 1 at the Balzano Marine Terminal so the port can meet increasing business activity.

“We want to thank Congressman Norcross for his advocacy in Washington and his ongoing support of our mission at the South Jersey Ports,” said Andrew Saporito, executive director and CEO of the South Jersey Port Corporation. “This investment directly translates into job retention and creation – from the construction workers who will build it, to the dockworkers loading and unloading ships, to the truckers hauling the cargo, to jobs in the industries on the end of the supply chain. It’s a multiplier that is great for our link in the global supply chain.”

“The Port of Camden is one of the busiest along the East Coast, so this funding will go a long way to ensure it remains an economic engine,” said Camden Mayor Victor Carstarphen. “I am grateful to Congressman Donald Norcross for fighting for this critical funding, grateful for his commitment to invest in much-needed infrastructure upgrades, and grateful for new employment opportunities coming to Camden and this region.”

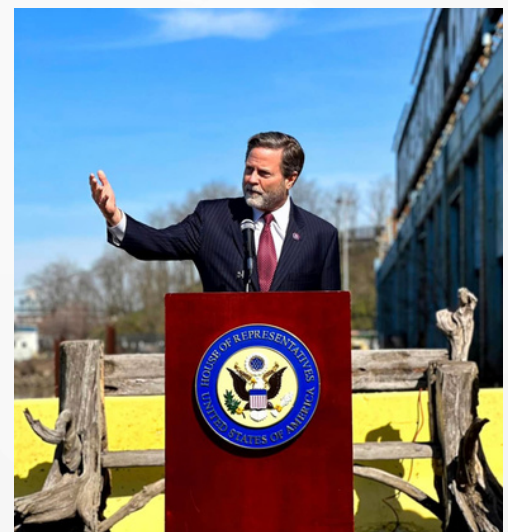
The funding is one of 15 local projects Congressman Norcross secured funding for in the FY 2023 omnibus funding package. In total, he brought back over \$10 million in community project funding for New Jersey’s 1st Congressional District.

“

“The ‘liquid highway’ that is the Delaware River is an economic lifeline for South Jersey and the surrounding region. By investing in our critical infrastructure, we are increasing the capacity of our ports and local businesses to access markets not just here in South Jersey, but across the country. Additionally, this funding will create good-paying jobs. I’m proud to have fought for this funding in Congress and look forward to seeing the positive economic impact this project has on our region.”

U.S. Congressman Donald Norcross (NJ-01)

”





# 2023 NEWS & HIGHLIGHTS

## **CELEBRATING 50 YEARS OF PARTNERSHIP: MACSTEEL INTERNATIONAL AND SOUTH JERSEY PORTS**

### ***A Remarkable Half-Century of Collaboration***

Forging lasting partnerships can be a challenging feat for any organization, often discussed but not always realized. The collaboration between Macsteel International and South Jersey Ports (SJP) is a shining example of such partnerships and a remarkable testament to the enduring power of strong alliances.

For over 116 years, Macsteel International has been a leading manufacturer, merchandiser, and distributor of steel and value-added products. With a global presence encompassing cities around the globe such as Amsterdam, Dubai, New York, Houston, Camden, Johannesburg, Cape Town, Hong Kong, Sydney, and Melbourne, Macsteel has firmly established itself as a key player in the steel industry, boasting \$244 million in revenues and a dedicated team of 500 employees.

The partnership between Macsteel and SJP began in the mid-1970s when William (Bill) Matteo, an executive at the time, forged a connection with the port's then-executive director, Joseph Balzano. Remarkably, the deal was sealed with a handshake, and it has stood strong for half a century.

### ***The South Jersey Ports' Advantages***

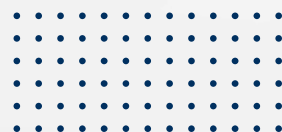
For Macsteel, the port's facilities are ideal. Purpura notes, "South Jersey Ports allow easy access to our customers in Pennsylvania, Connecticut, and the Midwest. It's centrally located on the U.S. East Coast and offers excellent facilities, warehousing, laydown areas for our cargo, and superb highway and rail connections from the port to our customers."

Moreover, it's the seamless, "hand-in-glove" relationship that has flourished over five decades that truly sets South Jersey Ports apart. The no-nonsense, "let's get to it" approach of the port team members resonates deeply with Macsteel, emphasizing the shared commitment to delivering cargo promptly to customers.

### ***Market and Tonnage***

Macsteel's imports through South Jersey Ports vary between 5,000 to 10,000 tons of diverse steel products, largely driven by customer demand. While the Biden infrastructure plan promises a significant surge in steel demand over the next decade, immediate concerns, such as labor issues and supply chain disruptions, are at the forefront of customer priorities.

As Macsteel and South Jersey Ports continue to navigate the ever-evolving landscape of the steel industry, their enduring partnership serves as a beacon of stability, dedication, and collaboration. Here's to the next 50 years of success and shared achievements.



# 2023 NEWS & HIGHLIGHTS

## INTERNATIONAL SHIPPING COMPANY NAMES VESSEL AFTER THE CITY OF CAMDEN

Clipper Bulk Shipping Ltd, a renowned international shipping company, honored the City of Camden, New Jersey, by naming one of its state-of-the-art vessels, the “Norse Camden,” in recognition of Camden’s vital role in the global supply chain. This remarkable tribute underscores the deep and enduring partnership between Clipper Bulk Shipping and the South Jersey Port Corporation, as well as the significance of Camden as the company’s largest U.S. port of call.

For more than three decades, Clipper Bulk Shipping has been a steadfast partner in Camden City, importing steel from Northern Europe, with a focus on tinplate in coils, steel coils, and structural steel. This enduring relationship has not only been beneficial for trade and commerce but has also contributed to Camden’s reputation as a pivotal gateway in the international maritime industry.

Camden Mayor, Vic Carstarphen expressed his enthusiasm for this symbolic gesture, stating, “We are honored to have our city’s name associated with Clipper Bulk Shipping’s Norse Camden vessel. This event highlights the importance of Camden in the global supply chain and reinforces our commitment to fostering strong international partnerships.”

State Senator Nilsa Cruz Perez also emphasized the significance of this occasion, saying, “Clipper Bulk Shipping’s decision to name a ship after Camden showcases Camden’s integral role in international trade. It reflects the commitment of our local, state, and international partners to the prosperity and economic growth of our community and state.”

Camden County Commissioner Director Louis Cappelli, Jr. added, “This event is a testament to the dedication of our stakeholders, the City of Camden, South Jersey Port Corporation, Delaware River Stevedores, and Terminal Shipping, who have tirelessly worked together to strengthen our relationship with Clipper Bulk Shipping. We’re proud to be a part of this partnership.”

Clipper Bulk Shipping Ltd, a privately held company founded by Torben G. Jensen in 1972, continues to thrive under the leadership of Chairman Frank G. Jensen and Partner and Member of the Board Niels G. Jensen. Clipper Bulk Shipping is headquartered in Copenhagen, Denmark, with operational offices in Houston, Hong Kong, and Cape Town and operates a fleet of approximately 90 vessels.

Andrew Saporito, Executive Director & CEO of South Jersey Ports, highlighted the significance of the Norse Camden, stating, “The Norse vessels are a remarkable addition to the international supply chain and symbolize a more modern and eco-friendly approach to shipping which aligns with our sustainability and port modernization goals. We are proud to host the Norse Camden and are excited to continue our partnership with Clipper Bulk Shipping as we embark on a new chapter in our shared maritime history.” (con’t on next page)

# 2023 NEWS & HIGHLIGHTS

## INTERNATIONAL SHIPPING COMPANY NAMES VESSEL AFTER THE CITY OF CAMDEN (CONTINUED)

NJ State Assemblyman Bill Moen expressed his excitement for the celebration of this milestone for Camden saying, “The Norse Camden is not only a testament to the ingenuity of maritime engineering but also a reflection of the global partnerships that drive our state’s economy. It’s inspiring to witness this ship’s journey from its construction in Japan to its vital role in our port in Camden, New Jersey.”

The Norse Camden is the fifth vessel in a series of eco-friendly ships, constructed primarily in Japan. This series, named after main steel ports worldwide, emphasizes the connection between global trade and the dedicated ports that facilitate it.

The official berthing of the Norse Camden at Balzano Terminal in Camden came on October 22, 2023, and was celebrated at Balzano Terminal in Camden on Tuesday, October 24. This event was a significant moment in the maritime history of Camden, celebrating its rich legacy and vibrant future in the global supply chain.

“South Jersey Port Corporation has been a great business partner for us for many, many years,” said Peter Svensson, senior vice president and head of Clipper Americas. He emphasized the incredible milestones achieved through this enduring partnership, “The millions of tons of steel that our ships have moved over three decades through Balzano Marine Terminal in Camden are a testament to the trust and reliability that defines our relationship. This is a great way to celebrate The Norse Camden and the tremendous growth and success we’ve made together.”



# 2023 NEWS & HIGHLIGHTS

## LOGISTICS SPOTLIGHT: D&M TRANSPORTATION SERVICES

In 1984, Dan Szustowicz, Sr. and his wife Mary founded D&M Transportation Services, Inc., a family owned and operated trucking company. D&M offers trucking and logistics solutions to South Jersey Ports' terminal customers and other businesses others along the Delaware River and has been headquartered for 33 years at South Jersey Ports' Broadway Marine Terminal in Camden, N.J.

D&M is a flatbed trucking company that services the supply chain in the Northeast region of the United States by transporting a wide variety of commodities (steel, aluminum, tin-plate, and wood) including coils, plate, tubing, lumber, and roofing materials. D&M offers full truckload and less than truckload (LTL) service for loads with either import or domestic origins. Their drivers are TWIC compliant and have extensive knowledge in handling a variety of materials including specialty cargo.

With a passion for quality control and customer service, D&M Transportation Services, Inc. has also developed itself as expert haulers of a variety of specialty steel cargos including high-quality rolled steel, flat plate steel, and structural steel beams.

Dan Szustowicz, Sr. was in high school when he started in the trucking industry. Over the ensuing decades, with the exception of a two-year stint in the U.S. Army, he mastered all aspects of the trucking and logistics industry from a management / operations perspective. He has done it all. He worked his way up from company to company mastering key aspects of trucking and logistics with increasing responsibility: inbound/outbound foreman, city dispatcher, and operations manager. In 1974, Ohio Fast Freight (a steel hauling carrier) hired him as a terminal manager, where he honed his operational skills and expertise in handling steel cargo.

"Ten years later, D&M (Dan & Mary) Transportation Services was born," said Lisa Szustowicz-Colella, Dan Szustowicz's daughter who was hired in 1987, soon to be followed by her younger brother, Dan Szustowicz, Jr. in 1994.

D&M's equipment consists of late model Peterbilt tractors, flatbed Conestoga trailers and flatbeds with side kits. Their tractors are ELD compliant and equipped with GPS tracking, providing customers with real time status of their loads. Their fleet services a 150-mile radius of their home terminal in Camden, NJ. Being a tenant of South Jersey Ports has been key to D&M's business growth within the region.

To give its import customers a greater geographic reach into the United States, the Szustowicz family also operates, D&M Services, Inc, a full-service transportation logistics company formed to service their customers' growing transportation needs and to assist import customers with longer hauls out of the ports of New Jersey and Philadelphia.



# 2023 NEWS & HIGHLIGHTS

## CELEBRATING COLLABORATION...SOUTH JERSEY PORTS MARK 30-YEAR PARTNERSHIP WITH CLIPPER AMERICAS

The successful 30-year partnership between Clipper Americas shipping lines of Copenhagen and the South Jersey Ports was marked – not by bands or the popping of champagne corks – but by the orchestra of cranes, forklifts, and cargo-moving equipment as crews off-load rolls of high-quality European steel coils, tin, and structural steel from Clipper ships. The materials are then instantly dispatched and transported to manufacturers and construction projects throughout the heartland of America and Canada.

It's a partnership that has prevailed – and continued to thrive – over several economic recessions, a near-depression, changes in trade policies and a global pandemic that leaves persistent impacts. Now add to those challenges climate change and the need for everyone, from individuals to large corporations, to reduce their carbon footprint to protect our planet. Clipper is attacking the problem on a variety of fronts including investing in an increasingly efficient fleet with dramatically lower CO2 emissions and the dockside recycling of dunnage.

In the past, it was simply cheaper to dispose of the wood dunnage used in transit to support steel cargo than hauling back to the originating port. The wood dunnage that went into the landfill was replaced by freshly cut lumber. Climate concerns have changed that. The wood dunnage is now loaded by crews into cargo containers and returned to the originating port, and as the wood loses its viability, it is being replaced by plastic and rubber dunnage with a greater shelf-life that can be recycled.

New ratings of ships for CO2 emissions, set by the European Common Market, go into effect in 2024 that will impose increasing financial penalties on levels of CO2s the vessel releases into the atmosphere. The lower the efficiency rating of the ship, the more it must pay to sail, giving a competitive edge to ships with higher efficiency ratings and lower CO2 emissions.

"We're confident our current fleet will be rated among the most highly efficient," predicted Peter Svensson, Senior Vice President, Clipper Americas. "I'm also confident that as technologies evolve and our fleet turns over, it will continue to be a leader in reducing emissions. It's good business. It's good for the environment. It's the right thing to do as we and our families share this planet too."

It's a business axiom that has been the foundation of the partnership between Clipper and the South Jersey Ports. "As a marine terminal operator, we can't control global economics, trade policy or pandemics but we sure can control two things: our carbon footprint and the quality of customer service that we and our partner Clipper and the stevedores provide to our mutual customers," said Andrew Saporito, Executive Director and CEO of the South Jersey Port.

Good customer service translates into higher efficiency and lower emissions. "Get in, get off," Peter explained. "The quicker we get into the port, off-load, and get off to sea, the more efficient our ships run which lowers emissions. Good for business. Good for the environment."

# 2023 NEWS & HIGHLIGHTS



## SOUTH JERSEY PORT AWARDED \$1.1 MILLION GRANT FOR ITS RAIL INTEGRATION PROGRAM

South Jersey Port Corporation was awarded a \$1,108,254 grant from the New Jersey Department of Transportation's Rail Freight Assistance Program to advance its Rail Integration Program. The program increases the efficiencies of port operations and provides greater options for customers and transporting cargo. Rail shipping is cost-effective and can save time and money while reducing emissions. Estimates show that on average moving freight by rail can reduce greenhouse gas emissions by 75%.

The grant will enable SJPC to purchase an electric rail car mover and two mobile loading docks. "This is another step in the program to ensure that our ports have competitive rail options so that our customers can take advantage of the three Class 1A railways that service our terminals," said Brendan Dugan, Assistant Executive Director and Chief Commercial Officer for SJPC. "We are also investing \$6 million to upgrade the rails at our Joseph A. Balzano Marine Terminal which will triple the amount of cargo we can handle by increasing the efficiency of load times."

The improvements provide an opportunity to expand the local economy as crucial products like steel, cocoa beans, wood, and project cargo will get to businesses and consumers in the region more easily while also providing job opportunities for residents.

SJPC's Paulsboro Marine Terminal, which is the first new port built on the Delaware River in 50 years, opened in 2017 with 21,000 linear feet of on-premises rail tracks. The rail tracks serve as a key transport option for the millions of tons of steel slabs that are imported to support the region's steel manufacturing plants.

The continuing upgrade of regional rail lines is key to New Jersey's plan to spur economic development in the southern part of the state. It also strengthens the region's position in building and support of offshore wind projects along the East Coast. A \$300 million wind port will be located just seven miles south of SJPC's Port of Salem, providing the opportunity for an integrated rail to barge service for the supply of offshore wind components.



# 2023 NEWS & HIGHLIGHTS

## DAMAGED SHIPPING CRATES? NO PROBLEM, FEDERAL WAREHOUSING HAS YOU COVERED!

When plywood cargo is stalled because of damaged shipping crates, importers call Matt DeLuca, Sr. at Federal Warehousing located at South Jersey Ports' Broadway Marine Terminal to the rescue. "Importers call us to make their distressed cargo shippable," explained DeLuca, Sr. "For 25 years we have been their quality-control team. We make sure that the cargo is 'reworked.' We repair the crates, from repairing damaged edges to an entire rebuild of the crates and repackaging of the cargo. We make sure the cargo is secured and safe for shipment by truck, rail, or ship. And we do it quickly and at the right price."

It's a service that is good for the importers' bottom line and good for the environment – and, for the DeLuca Family, an affirmation that the South Jersey Ports is a ladder of opportunity, and that even without a college degree, you can have a prosperous career and start your own business.

While millions of tons of cargo move undamaged throughout the port, a tiny fraction becomes un-shippable because of weak crating or rough conditions. The plywood Federal Warehousing salvages results in significant savings and less impact on importers' narrow profit margins. The repurposing of plywood also reduces waste in landfills and results in reducing use of one of our most precious natural resources...trees that have many benefits to our environment.

In the grand scheme of port operations, "reworking" distressed plywood cargo is a niche – but it's a vital niche that requires skilled labor learned on the docks of the South Jersey Ports. Matt DeLuca, Sr. learned "by doing" and by developing the expertise in 'reworking' the cargo and earning the trust of the importers.

"It's developing skills and relationships that three generations of the DeLuca Family learned working at the South Jersey Ports," Matt, Sr. said. "My Dad, Joe, Sr. worked at South Jersey Port Corporation for decades and my brother Joe Jr. and I followed in his footsteps and now my son Matt, Jr. is keeping up the family tradition."

"We're grateful to South Jersey Ports for good jobs that made it possible to raise our middle-class families and for the opportunities where you are measured by your performance to get the job done, not by diplomas or college degrees." South Jersey Ports networks its' people into an extended port family of companies, relationships and port people who mentor and share their knowledge to hone their skills and ensure the supply chain needs are met.

"I developed a relationship with one of our (South Jersey Port's) tenants who mentored me constantly," DeLuca, Sr. said. "They taught me the ropes of the port operations from the shippers' and importers' eyes. They encouraged me to take a risk and now I have my own business."

# SJPC IN THE COMMUNITY

## Building Bridges

The team at South Jersey Ports recognizes that its presence in the communities of Camden, Paulsboro, and Salem is not just about business and the supply chain; it's about people. This understanding has fueled our commitment to community outreach efforts, which have become an integral part of our mission.

One of the standout initiatives is our participation in local job fairs. We recognize the importance of providing employment opportunities to residents in the area. It is our mission after all to foster regional economic development and that means creating local jobs. We partner with local organizations and schools to ensure we are actively recruiting from the local talent pool.

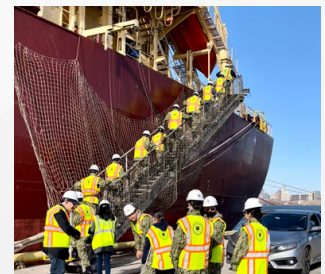
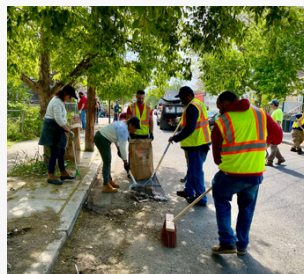
South Jersey Ports' outreach efforts extend far beyond just job fairs. We understand that the youth of today are the leaders of tomorrow. That's why we regularly organize student tours and career days at port facilities. These events provide students with an up-close look at the maritime industry and the career possibilities it holds. They inspire young minds to consider careers in logistics, engineering, and various other fields, paving the way for a brighter future for our communities.

Participation in neighborhood clean-ups is another crucial aspect of the ports' community involvement. We recognize that a clean environment is essential for the well-being of our neighbors. By actively participating in clean-up initiatives, we hope to not only contribute to a healthier living environment but also foster a sense of togetherness with our neighbors. Our teams roll up their sleeves, put on gloves, and work side by side with residents and other stakeholders demonstrating our shared commitment to being responsible stewards of the environment.

Moreover, the ports' commitment to the community goes beyond the physical boundaries of our facilities. We actively engage with local organizations and support various community projects and events throughout the year.

The philosophy behind all these efforts is clear: our organization views itself as an integral part of the South Jersey community. We don't just want to coexist with our neighbors; we want to thrive together. We understand that our success is intertwined with the well-being of the communities we call home.

In the end, our commitment to community outreach efforts isn't just about being a good neighbor; it's about being a true partner in the growth of our host cities. By fostering relationships, providing opportunities, and making a positive impact, we are not only helping build a stronger community but also setting a standard for responsible corporate citizenship. Our mission isn't just about shipping goods; it's about building bridges of goodwill and collaboration that benefit everyone involved.





# SJPC IN THE COMMUNITY

## Celebrating a True Camden Hero: Sheila Roberts Receives Award for Lifelong Commitment to Camden

We were thrilled to congratulate our very own South Jersey Ports board member, Sheila Roberts, who received the prestigious Camden Hero Award at the Camden Community Partnership's Annual 2023 Meeting.

The Camden Hero Award is a testament to Sheila's lifelong dedication to her beloved city and its residents. It recognizes her unwavering commitment to making Camden a better place for everyone, and her impact has left an indelible mark on the community.

Sheila Roberts is not just a resident of Camden; she is a true community leader. Her journey has been defined by selfless service and advocacy, as she has tirelessly championed the causes she holds dear.

For over two decades, Sheila has served as the President of the Cooper Lanning Civic Association, tirelessly advocating for the Cooper Plaza neighborhood and partnering with the adjacent Lanning Square neighborhood. She contributes to area food banks, supports homeless shelters, and collaborates with organizations to provide essential items to those in need throughout the year.

Sheila's commitment to social determinants of health is evident in her partnership with the Food Bank of South Jersey, where she facilitates regular food distributions. She has also played a pivotal role in establishing and maintaining a community garden in Cooper Plaza, providing a source of fresh produce for neighbors.

Sheila's involvement in youth sports underscores her commitment to providing recreational opportunities for Camden's youth. Her dedication to the Camden Promise Neighborhood Initiative further highlights her passion for creating opportunities and resources for children and families.

Her dedication to improving the quality of life for Camden residents has led her to volunteer and serve on numerous boards and committees. Her background as a retired teacher from the Camden City Public Schools and her education at Rutgers University-Camden have equipped her with the knowledge and passion needed to effect positive change.

Sheila Roberts is not just a board member; she is a Camden hero. Her unwavering commitment to the city and its residents has made a profound and lasting impact, exemplifying the spirit of resiliency, selflessness, and betterment that the Camden Hero Award celebrates.

"We are immensely proud to have Sheila as a part of the South Jersey Ports family, and we extend our heartfelt congratulations on this well-deserved honor. Sheila's dedication is an inspiration to us all, and we look forward to continuing to make a positive impact alongside her in the city."

Andrew Saporito  
South Jersey Ports Executive Director & CEO



# SJPC IN THE COMMUNITY

The South Jersey Ports Community Clean-Up Crew proudly united with the City of Camden, Camden City Mayor Carstarphen, Philadelphia Eagles Haason Reddick, community partners and residents for the 2023 Camden Strong/Clean Camden Campaign.

The program included 14 neighborhood clean-ups over several weeks throughout the city, including the Cooper Lanning neighborhood, Sheila Roberts Park, and the Liberty Park and Centerville neighborhoods.

The program also partnered with local companies to make sure to equip Camden's youth with essential back-to-school supplies, setting them up for success as they started the school year.

This campaign shines as a brilliant example of the visionary Camden Strong/Clean Camden initiative. It's more than just a clean-up – it's a movement that reverberates throughout Camden, fostering a spirit of unity and care.

The South Jersey Port Corporation continues to stand strong, uplifting our community, and working towards a cleaner, greener Camden. Participation matters, and together, we're creating a positive impact!



# SJPC IN THE COMMUNITY



In November, The South Jersey Port Corporation's very own Andrew Saporito was recognized for his outstanding dedication and unwavering commitment to our community!

Andrew was honored at the Southern New Jersey Development Council's Annual Achievement Awards Reception with the prestigious **Community Investment Award** for his tireless efforts to make our region a better place.

This well-deserved award showcased not only Andrew's leadership but also the incredible work the team at South Jersey Ports does each and every day! Congratulations to Andrew and South Jersey Ports for this remarkable achievement.





# GREEN PORT INITIATIVES

Modern ports are “green” ports that have an unflinching commitment to be good citizens in our host communities and to operate in the most environmentally friendly manner possible. Being “green” continues to be a core principle of the SJPC. Our marine terminals thrive in urban centers where the SJPC is a major employer. The SJPC is committed to providing family-sustaining jobs for our community and being a good neighbor in the process. Our Green Port initiatives are indispensable to both. It’s a commitment to port operations that are both efficient and environmentally sound.

- With the help of U.S. EPA grants, the Port repowered its fleet of cargo movers, cranes and vehicles with engines that get better mileage and release fewer pollutants.
- SJPC’s newest crane, the Kocks multi-purpose crane, is fully electric and produces no emissions, unlike its diesel-powered predecessors.
- Planted maple trees along Broadway next to our terminal to both provide visual relief as well as benefits to the air.
- Worked with Heart of Camden building a green buffer that helps reverse an urban heat zone, filtering out pollutants, discharging fresh oxygen.
- Organized and led a community-wide clean-up day that involved local businesses as well as South Jersey Port Corporation Employees.



The South Jersey Port Corporation has been working diligently to reduce our carbon footprint.

Sustainability measures being implemented include tree plantings, updated warehouse lighting, investments in direct ship to rail access, and converting our fleet from carbon fuels to electric and more efficient vehicles.



# EXECUTIVE ORDER



Governor  
Phil Murphy



Lieutenant Governor  
Tahesha Way

## **EXECUTIVE ORDER #37 (2006) Certification of Annual Audit for Year Ending 2023**

WE ARE PLEASED TO PRESENT this report containing a record of the significant actions taken by the Port Corporation in 2023; these actions detail the success the Port Corporation has achieved in growing its business on behalf of the State of New Jersey and its citizens during the year 2023. In addition, in accordance with Executive Order #37 (2006), we certify that, to the best of our knowledge, the information provided to the auditor in connection with this annual audit and contained in the attached report is accurate, and to the best of our knowledge, fairly represents the financial condition of the South Jersey Port Corporation for the year ending December 31, 2023.

The following senior staff members hereby certify that during the preceding year the Corporation has, to the best of our knowledge, followed all of the Corporation's standards, procedures, and internal controls. Approval of this audit report has been made by the Board of Directors and an electronic version has been posted on the Corporation's website, [www.SouthJerseyPort.com](http://www.SouthJerseyPort.com).

Andrew Saporito, Executive Director & CEO

Lisa McLaughlin, Chief Financial Officer / Treasurer

**SOUTH JERSEY PORT CORPORATION**  
**AUDIT REPORT**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2023 AND 2022**

# SOUTH JERSEY PORT CORPORATION

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**SOUTH JERSEY PORT CORPORATION**

**BOARD OF DIRECTORS**

**AT DECEMBER 31, 2023**

Richard A. Alaimo, Chairman  
Subdistrict 1 (Burlington)

Chad Bruner  
Subdistrict 2 (Gloucester)

Robert DeAngelo  
Subdistrict 2 (Gloucester/Borough of Paulsboro)

Jonathan S. Gershen  
Subdistrict 1 (Mercer)

Joseph Maressa, Jr.  
Subdistrict 2 (Camden)

Eric Martins  
Subdistrict 1 (Mercer)

Sheila Roberts  
Subdistrict 2 (Camden/City of Camden)

Carl E. Styles  
Subdistrict 3 (Salem)

William R. Higgins  
Subdistrict 3 (Salem, Cape May or Cumberland)

Christopher Chianese  
State Treasurer Designee

**SOUTH JERSEY PORT CORPORATION**  
**(A Component Unit of the State of New Jersey)**

**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**



BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

## INDEPENDENT AUDITOR'S REPORT

Board of Directors of the  
South Jersey Port Corporation  
County of Camden  
2 Aquarium Loop Dr., Suite 100  
Camden, New Jersey 08103

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the South Jersey Port Corporation (the "Corporation"), a component unit of the State of New Jersey, in the County of Camden, State of New Jersey, as of and for the fiscal years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Corporation as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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.

### **Report on Summarized Comparative Information**

We have previously audited the Corporation's 2022 basic financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2023, in accordance with the financial reporting provisions described in Note 1. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The combining and individual non-major fund financial statements 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 standard generally accepted in the United States of America. In our opinion the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the financial statements. The other information comprises the supplementary information and statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2024 on our consideration of the Corporation'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 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 Corporation's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
October 16, 2024



BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLAINE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of the  
South Jersey Port Corporation  
County of Camden  
Camden, New Jersey 08103

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the South Jersey Port Corporation, in the County of Camden, State of New Jersey as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise South Jersey Port Corporation's basic financial statements, and have issued my report thereon dated October 16, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the South Jersey Port Corporation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Jersey Port Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the South Jersey Port Corporation’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency*, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the South Jersey Port Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
October 16, 2024



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### UNAUDITED

Pursuant to the requirements of Governmental Accounting Standards Board (GASB) 34, the management of the South Jersey Port Corporation (the Port) offers the readers of the Port's financial statements a narrative overview and analysis of the activities of the Port for the fiscal period ending December 31, 2023.

#### **General Port Overview**

The South Jersey Port Corporation was created by NJ State Chapter 11A Statutes 12:11A-1 to 12:11A-23 to operate marine shipping terminals in the South Jersey district consisting of the counties of Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May.

The Port Corporation operates the Joseph A. Balzano Marine Terminal and Broadway Terminal facilities in the City of Camden, the Port of Salem in the City of Salem, and the Paulsboro Marine Terminal in Paulsboro, NJ. The Port Corporation reports to the State of New Jersey through the Department of the Treasury.

The South Jersey Port Corporation (SJPC) provides world-class facilities and beneficial services which support and accommodate the transportation of goods and commodities, both by water and by land. It is the mission of the SJPC to foster regional economic development through revenue generation in a financially and environmentally sustainable manner to support facility, staffing, and infrastructure investment for the benefit of our Port District, including the cities of Camden, Paulsboro, and Salem, New Jersey.

SJPC's terminals handle a wide range of raw, semi-finished, and manufactured materials that support various construction and manufacturing industries, and include commodities such as manufactured steel, scrap metal, cement, grancem, gypsum, and plywood and lumber.

The Corporation and Paulsboro entered into a certain redevelopment agreement with respect to the Development and Construction of a Marine Terminal within the Borough of Paulsboro, South Jersey Port District dated January 16, 2006 (as amended, the "Redevelopment Agreement"). Under the Redevelopment Agreement, the Corporation was granted the right and obligation to develop the Paulsboro Marine Terminal located in Paulsboro, Gloucester County.

The Corporation and the Gloucester County Improvement Authority ("GCIA") also entered into a certain "Paulsboro Port Project Development and Management Agreement" dated as of August 1, 2009 (the "Development and Management Agreement"). Pursuant to the Development and Management Agreement, the Corporation had set forth the overall parameters for the design and development of the Paulsboro Marine Terminal, and the GCIA entered into the various contracts required to implement this development.

The Paulsboro Marine Terminal is located along the eastern bank of the Delaware River, across from the Philadelphia International Airport, just south of Mantua Creek. Direct vehicular and truck access from Interstate 295 to the terminal is via a two-lane, public access road and bridge structure over Mantua Creek.

The Corporation funded Phase I of the Paulsboro Marine Terminal Project with proceeds of the Series 2009 P Bonds, as well as a portion of the proceeds of the Series 2007 N Bonds and the Series 2008 O Bonds. The aggregate amount of Bonds issued for the initial phase Paulsboro Marine Terminal Project was \$176,737,986.

The Corporation negotiated a lease agreement with Holt Logistics Corporation (Paulsboro Waterfront Development, LLC) to serve as the terminal operator for the Paulsboro Marine Terminal, hosting private operations. The primary cargo is imported steel slabs. The first ships were received at the Paulsboro Marine Terminal in March 2017.

A subsequent Phase II extended the wharf to 2,200 feet to accommodate up to four ships, a 500-foot barge berth, and upland improvements.

On August 29, 2017, the Corporation adopted a new subordinated bond resolution. The Subordinated bond authorized a series of bonds with an amount of \$255,000,000. On December 5, 2017, the Corporation issued its \$255,000,000 Subordinated Marine Terminal Revenue Bonds, Series 2017, consisting of \$23,860,000 Subordinated Marine Terminal Revenue Bonds, Series 2017A (Tax Exempt) and \$231,140,000 Subordinated Marine Terminal Revenue Bonds, Series 2017B (AMT). The purpose of the issue was to fund completion of the Paulsboro Marine Terminal and undertake needed repairs at facilities within the Camden facilities. In total, the Corporation realized \$271,099,472.62 from the sale of the Series 2017 Bonds, representing the \$255,000,000 principal amount of the Series 2017 Bonds, plus an original issue premium of \$17,229,246.35 and less a Purchaser's discount of \$1,129,773.73.

As of December 31, 2023, the remaining bond proceeds, along with a federal grant and a third-party match will be used to complete the final upland improvements.

Calendar year 2023 cargo through SJPC facilities reached almost 3 million tons, which represented a 10% decrease from 2022, however SJPC's main commodity – manufactured steel products – held steady at 1.1 million tons, representing a 1.3% increase over 2022. Cargo tonnage across most key commodities handled by SJPC as the construction and manufacturing sectors continue their recovery.

The operations of the Port are under the directorship of an eleven (11) member board that consists of the State Treasurer, ex-officio, or the Treasurer's designated representative, who shall be a voting member of the corporation, and ten (10) public members, each of whom shall be a resident of the port district. The Governor of the State appoints members for a term of five years.

The Port District is comprised of seven counties: Mercer, Burlington, Camden, Gloucester, Salem, Cape May and Cumberland. There are three sub-districts.

Sub-district 1, Mercer and Burlington Counties, shall be represented by three (3) public members with at least one (1) of whom shall be appointed from each county within this sub-district.

Sub-district 2 is Camden and Gloucester Counties they shall be represented by five (5) public members with at least three (3) public members shall be appointed from Camden County of which one (1) of the appointed Camden County members shall be appointed from the City of Camden. At least one (1) of the public members of the sub-district shall be appointed from the Borough of Paulsboro.

Sub-district 3 is Salem, Cape May and Cumberland Counties and shall be represented by two (2) public members.

The requisite qualification is that each member must reside within the port district, and they are appointed to represent for at least three (3) years preceding their appointment. Public members serve a term of five (5) years and shall serve until their successor is appointed and qualified. Each member of the corporation before entering upon their duties shall take and subscribe an oath to perform the duties of their office faithfully, impartially, and justly to the best of their ability. A record of such oath shall be filed in the office of the Secretary of State. Any vacancies in the appointed membership of the corporation occurring

other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.

### **Financial Highlights**

In April 2022, the Port Received \$35 million from the State of New Jersey to improve Port infrastructure.

We also received \$1,800,000 from the New Jersey Board of Public Utilities for infrastructure improvements at the Paulsboro Marine Terminal.

In 2023, the port was awarded two federal grants. The first grant, a Port Security Grant Program (PSGP) award from FEMA and the Department of Homeland Security, was for the purchase of additional CCTV cameras for the Camden terminals, TWIC card readers, and access control functionality. The award was just under \$140,000 from FEMA.

The second grant was a Port Infrastructure Development Program (PIDP) award from the Maritime Administration (MARAD) and the US Department of Transportation for the Port of Paulsboro. This project will fund the construction of additional monopile manufacturing and coating facilities and establish additional monopile storage capability at the site. It will also fund needed security enhancements and utility infrastructure. The award from MARAD is \$20,000,000 for a total project cost of just under \$34,000,000.

In December 2023, the Port Received \$24 million from the State of New Jersey to improve Port infrastructure.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Port's basic financial statements. These Statements are comprised of four components: 1) Statement of Net Position, 2) Statement of Revenue and Expenses and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

The statement of Net Position presents information on all of the Port's assets, liabilities and deferred inflows and outflows, with the difference among them reported as Net Position. Over time, increases or decreases in Net Position, whether read in conjunction with other data, may serve as a useful indicator of whether or not the financial position of the Port is improving or deteriorating.

The statement of revenues and expenses and changes in Net Position presents information showing how the Port's operations generated revenues and incurred expenses, regardless of the timing of related cash flows.

The statement of cash flows presents information showing the Port's cash receipts and payments during the fiscal period, classified by principal sources and uses, segregated into key elements.

The Notes to the financial statements provide additional information that is essential to have a full understanding of the data provided in the financial statements.

## Financial Analysis

Port Assets and Deferred Outflows of Resources exceeded Port Liabilities and Deferred Inflows of Resources by \$46,240,295 at December 31, 2023.

### Port's Net Position

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current & Other Assets	\$195,506,647	\$178,785,041
Capital Assets (Net)	453,359,900	458,342,851
<b>Total Assets</b>	<b>648,866,547</b>	<b>637,127,892</b>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Deferred Outflows	13,477,324	10,911,359
Bond Discount, Net of Accumulated Amortization	143,550	152,522
<b>Total Deferred Outflows of Resources</b>	<b>13,620,874</b>	<b>11,063,881</b>
<u>LIABILITIES</u>		
Current Liabilities	28,991,897	28,478,784
Long-Term Liabilities	532,316,862	519,332,235
<b>Total Liabilities</b>	<b>561,308,759</b>	<b>547,811,019</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Service Arrangements	271,788	445,426
Unrealized Rental Income	9,295,574	9,397,537
Deferred Gain on Bond Refunding	278,261	295,652
Pension Deferred Inflows	45,092,744	50,615,528
<b>Total Deferred Inflows of Resources</b>	<b>54,938,367</b>	<b>60,754,143</b>
<u>NET POSITION</u>		
Net Investment in Capital Assets	28,149,022	28,422,940
Restricted for:		
Reserve for Payment of Debt Service	34,242,585	34,515,358
Reserve for Inventory Supplies	1,229,818	1,185,416
Unrestricted:		
Unreserved	(17,381,130)	(24,497,103)
<b>Total Net Position</b>	<b>\$46,240,295</b>	<b>\$39,626,611</b>

A portion of the Port's Net Position reflects its net investment in capital assets (e.g., land, buildings, improvements, machinery and equipment) less any related debt to acquire those assets that remain outstanding. Currently the amount of \$28,149,022 reflects the current Net Investment in Capital Assets. An additional portion of the Port's Net Position represents resources that are subject to external restrictions on how they may be used. They are used for capital projects, debt service payments, and city and county tax payments. Unrestricted Net Position is available for any Port related use.

**Port Activities**

	2023	2022
Operating Revenues:		
Marine Direct	\$17,887,870	\$22,428,197
Marine Related	4,952,217	2,473,268
Other	3,579,983	3,809,661
Grant Revenue	6,726,793	2,887,296
Total Operating Revenues	33,146,863	31,598,422
Operating Expenses:		
General Operating	14,481,665	14,188,787
Repairs & Maintenance	1,215,857	1,161,822
General & Administrative	7,157,424	8,436,317
Grant Expenses	6,726,793	2,887,296
	<hr/>	<hr/>
Total Operating Expenses	29,581,739	26,674,222
Operating Income Before Other Operating Expenses	3,565,124	4,924,200
Other Operating Expenses:		
Depreciation	10,144,266	9,686,693
	<hr/>	<hr/>
Total Other Operating Expenses	10,144,266	9,686,693
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	(6,579,142)	(4,762,493)
Nonoperating Revenues/(Expenses):		
Interest on Investments & Deposits	1,622,600	1,470,657
Insurance Proceeds	0	190,546
Federal Subsidy Revenue	2,789,988	2,772,373
Gain/(Loss) on Disposal of Assets	(698,505)	0
Amortization Gain on Refunding of Debt	17,391	17,391
Amortization of Bond Discount on Refunding	(8,972)	(8,972)
Amortization of Bond Premium	848,431	937,980
Net Change in Developers' Escrow	(542)	7,313
Net Change in Reserve for Payment of Debt Service	272,773	0
Unrealized Gain/(Loss) on Investment	450,558	(333,170)
Change in Inventory of Supplies	44,402	(163,164)
Interest Expense	(23,669,998)	(24,123,419)
	<hr/>	<hr/>
Net Nonoperating Revenue/(Expenses)	(18,331,874)	(19,232,465)
Net Income/(Loss) Before Contributions and Transfers	\$ (24,911,016)	\$ (23,994,958)

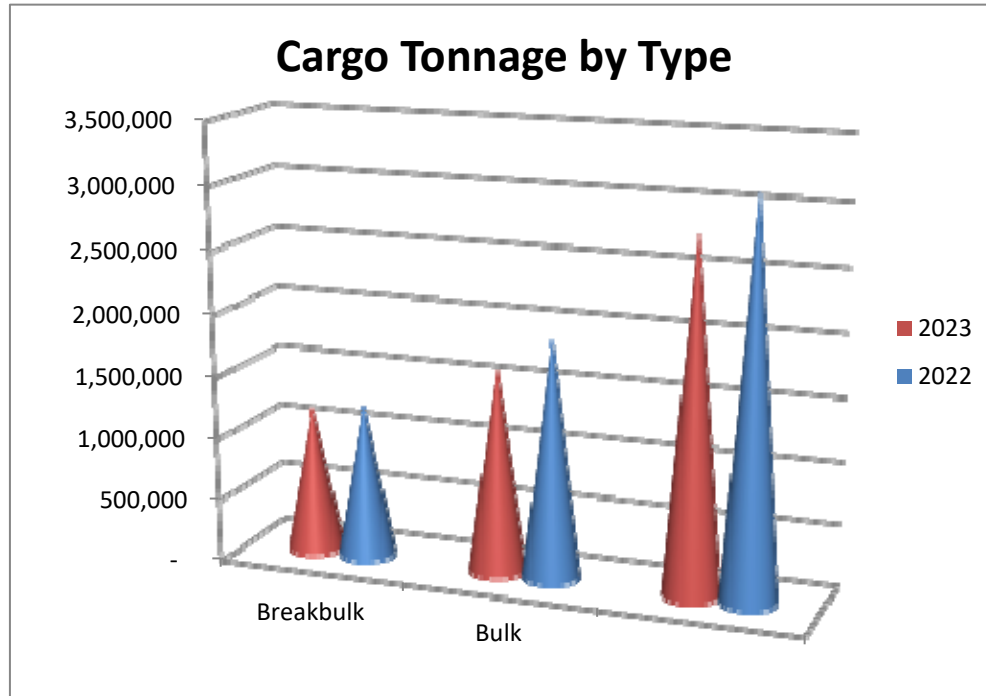
Port activity for 2023 resulted in operating income before depreciation and amortization of \$3,565,124.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION**

	2023	2022
Operating Transfers To/ From the State of New Jersey/Other:		
Debt Service Aid	31,525,000	27,810,000
Camden City PILOT Revenues	4,000,000	4,000,000
Camden City PILOT Expenditures	(4,000,000)	(4,000,000)
Camden County PILOT Revenues	419,000	419,000
Camden County PILOT Expenditures	(419,000)	(419,000)
Salem PILOT Revenues	31,224	31,224
Salem PILOT Expenditures	(31,224)	(31,224)
Paulsboro PILOT Revenues	718,073	500,000
Paulsboro PILOT Expenditures	(718,373)	(500,000)
Gloucester County PILOT Revenues	150,000	150,000
Gloucester County PILOT Expenditures	(150,000)	(150,000)
	31,524,700	27,810,000
 Total Operating Transfers	 31,524,700	 27,810,000
 Change in Net Position	 6,613,684	 3,815,042
 Net Position - Beginning of Year, As Restated (Note 20)	 \$39,626,611	 \$35,811,569
 Net Position - End of Year	 \$46,240,295	 \$39,626,611

## Cargo Tonnage

The South Jersey Port Corporation activity for 2023 totaled 2,831,260 tons. This is a decrease of approximately 12% as compared to 2022.



### Breakbulk

Breakbulk activity for 2023 decreased 6% when compared to 2022 Port totals.

### Bulk

Dry bulk cargoes collectively reached 1,660,439 tons in 2023, which was a 16% decrease over the prior year. Export recycled scrap metals increased by 17% from 2022 while export Grancem® increased 47% and import cement finished 5% lower than 2022. Other bulk cargo activity resulted from Road Salt, Sand and Gypsum.

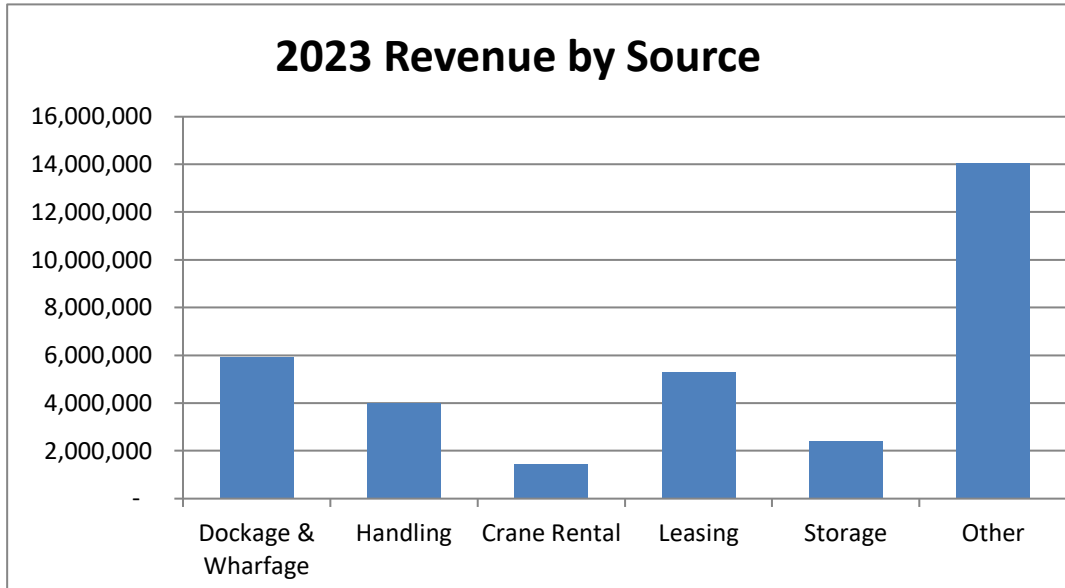
### Other Activity

Ship calls totaled 197 for the year ended 2023, 43 less than 2022. Ship days in 2022 totaled 240 year to date compared to 223 from 2021, which is an increase of 3%.



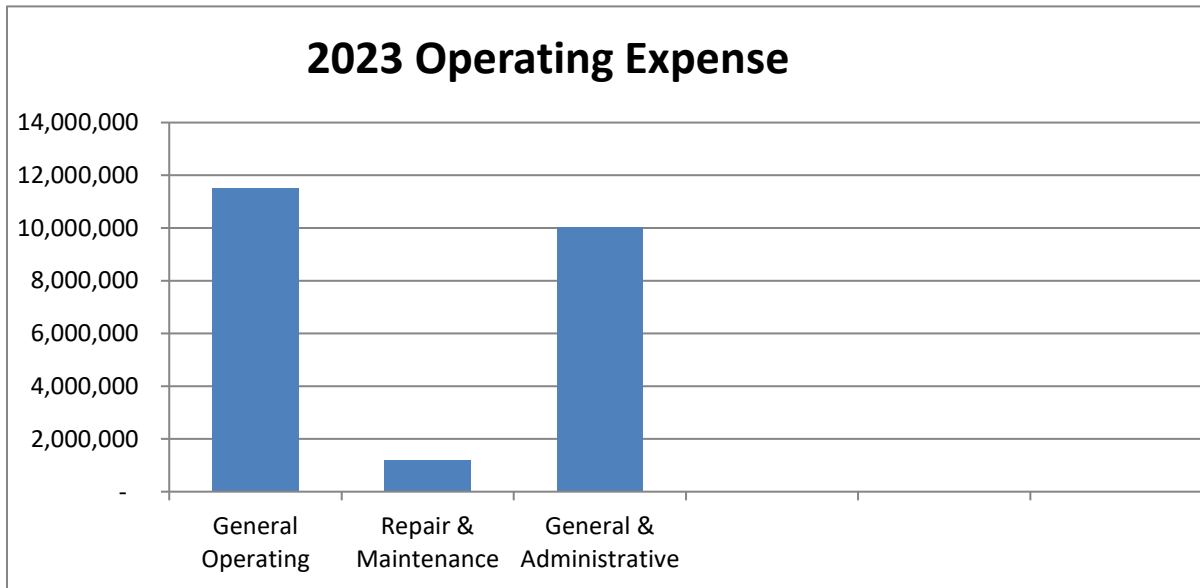
**Operating Revenues**

The Port Corporation generated \$33,146,863 total in operating revenues in 2023. This represents an overall increase of \$1,548,441 over 2022 totals.



**Operating Expenses**

Total Corporation operating expenses were \$29,581,739 in 2023, an increase of \$2,907,517 when compared to 2022.



### Capital Assets

The Port's investment in Capital assets as of December 31, 2023 is \$453,359,900.

The investment in capital assets include land, buildings, piers and berths, and machinery and equipment. Net capital assets decreased by \$294,386 which is net of \$6,865,597 of additions and \$7,159,982 of fully depreciated assets that were written off in 2023.

### Capital Assets

	<u>2023</u>	<u>2022</u>
Land	\$21,274,497	\$20,683,410
Building & Improvements	59,473,993	60,587,731
Land Improvements	297,886,597	292,956,882
Equipment & Vehicles	26,017,931	26,830,690
Right of Use Assets- GASB 87	3,115,787	
Engineering & Financing Costs	2,281,415	9,285,893
<b>Subtotal</b>	<b>\$410,050,220</b>	<b>\$410,344,606</b>
Less: Accumulated Depreciation & Amortization	154,616,880	150,821,638
<b>Subtotal</b>	<b>255,433,340</b>	<b>259,522,968</b>
Construction in Progress	197,926,560	198,819,883
<b>Total</b>	<b>\$453,359,900</b>	<b>\$458,342,851</b>

**Long-Term Debt**

As of December 31, 2023 the Port had accumulated long-term debt of \$448,049,951. This balance is comprised of the following:

	<b><u>Long-Term Debt</u></b>	
	<b>2023</b>	<b>2022</b>
Revenue Bonds	\$432,487,387	\$444,425,818
Lease Payable	2,553,099	2,395,338
Net Pension Payable	11,923,422	11,358,084
Early Retirement	1,086,043	1,118,331
Total	<u>\$448,049,951</u>	<u>\$459,297,571</u>

**BASIC FINANCIAL STATEMENTS**

**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

ASSETS	2023	2022
Current Assets:		
Unrestricted Assets:		
Cash & Cash Equivalents	\$ 12,391,625	\$ 6,739,018
Accounts Receivable (Net of Allowance for Doubtful Accounts - \$599,488 in 2023 and \$569,488 in 2022)	2,955,657	2,611,538
Other Accounts Receivable	31,196,546	35,869,974
Prepaid Expenses	113,402	118,425
Inventory of Supplies	1,229,818	1,185,416
	47,887,048	46,524,371
Restricted Assets:		
Cash & Cash Equivalents	104,598,310	90,868,096
Investments	9,649,396	13,161,316
Other Accounts Receivable	405,906	388,645
Grants Receivable	1,413,713	5,339
Due from State of New Jersey	31,525,000	27,810,000
Tenant Security Deposit	27,274	27,274
	147,619,599	132,260,670
Property, Plant & Equipment (Note 5):		
Completed	407,768,805	408,063,193
Construction in Progress	197,926,560	198,819,883
Bond Financing Costs	2,281,415	2,281,413
	607,976,780	609,164,489
Less: Accumulated Depreciation & Amortization	154,616,880	150,821,638
	453,359,900	458,342,851
Net Property, Plant & Equipment	453,359,900	458,342,851
	648,866,547	637,127,892
Total Assets	648,866,547	637,127,892
DEFERRED OUTFLOW OF RESOURCES		
Related to Pension, Post Retirement Benefits and Leases	13,477,324	10,911,359
Bond Discount, Net of Accumulated Amortization	143,550	152,522
	13,620,874	11,063,881
Total Deferred Outflows of Resources	13,620,874	11,063,881
	\$ 662,487,421	\$ 648,191,773
Total Assets and Deferred Outflows of Resources	\$ 662,487,421	\$ 648,191,773

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

**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023 AND 2022**

LIABILITIES	2023	2022
Current Liabilities Payable From Unrestricted Assets:		
Accounts Payable	\$ 312,024	\$ 260,572
Accrued Expenses	664,546	289,090
Payroll Taxes Payable	62,787	113,988
Accrued Vacation Payable	145,026	163,696
Pension Payable	1,212,060	1,035,629
Lease Security & Escrow Deposits	250,852	251,394
	<hr/>	<hr/>
Total Current Liabilities Payable From Unrestricted Assets	2,647,295	2,114,369
Current Liabilities Payable From Restricted Assets:		
Accrued Interest Payable	11,716,510	11,963,848
Accounts Payable	984,993	1,170,229
Revenue Bonds Payable (Short-Term Portion)	11,090,000	10,835,000
Lease Payable	2,553,099	2,395,338
	<hr/>	<hr/>
Total Current Liabilities Payable From Restricted Assets	26,344,602	26,364,415
Long-Term Liabilities:		
Long-Term Liabilities Payable From Unrestricted Assets:		
Vacation Payable		28,025
Early Retirement Payable	1,086,043	1,118,331
Net Pension Payable	11,923,422	11,358,084
Post Retirement Benefits Payable	23,524,101	22,646,416
	<hr/>	<hr/>
Total Long-Term Liabilities Payable From Unrestricted Assets	36,533,566	35,150,856
Long-Term Liabilities Payable From Restricted Assets:		
Unearned Grant Revenue	60,936,289	37,515,908
Revenue Bonds Payable (Net of Unamortized Premium)	432,487,387	444,425,818
Lease Payable	2,359,620	2,239,653
	<hr/>	<hr/>
Total Long-Term Liabilities Payable From Restricted Assets	495,783,296	484,181,379
	<hr/>	<hr/>
Total Liabilities	561,308,759	547,811,019
DEFERRED INFLOWS OF RESOURCES		
Service Arrangements	271,788	445,426
Unrealized Rental Income	9,295,574	9,397,537
Gain on Bond Refunding, Net of Accumulated Amortization	278,261	295,652
Related to Pension, OPEB and Leases	45,092,744	50,615,528
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Total Deferred Inflows of Resources	54,938,367	60,754,143
NET POSITION		
Net Investment in Capital Assets	28,149,022	28,422,940
Restricted:		
Reserve for Payment of Debt Service	34,242,585	34,515,358
Reserve for Inventory of Supplies	1,229,818	1,185,416
Unrestricted:		
Unreserved	(17,381,130)	(24,497,103)
	<hr/>	<hr/>
Total Net Position	46,240,295	39,626,611
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 662,487,421	\$ 648,191,773

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

**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Operating Revenues:		
Marine Direct	\$ 17,887,870	\$ 22,428,197
Marine Related	4,952,217	2,473,268
Other	3,579,983	3,809,661
Grant Revenue	6,726,793	2,887,296
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Total Operating Revenues	33,146,863	31,598,422
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Operating Expenses:		
General Operating	14,481,665	14,188,787
Repairs & Maintenance	1,215,857	1,161,822
General & Administrative	7,157,424	8,436,317
Grant Expenses	6,726,793	2,887,296
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Total Operating Expenses	29,581,739	26,674,222
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Operating Income Before Other Operating Expenses	3,565,124	4,924,200
	<hr/>	<hr/>
Other Operating Expenses:		
Depreciation	10,144,266	9,686,693
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Total Other Operating Expenses	10,144,266	9,686,693
	<hr/>	<hr/>
Operating Income/(Loss) After Other Operating Expenses	(6,579,142)	(4,762,493)
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Nonoperating Revenues/(Expenses):		
Interest on Investments & Deposits	1,622,600	1,470,657
Insurance Proceeds		190,546
Federal Subsidy Revenue	2,789,988	2,772,373
Gain/(Loss) on Disposal of Assets	(698,505)	
Amortization Gain on Refunding of Debt	17,391	17,391
Amortization of Bond Discount on Refunding	(8,972)	(8,972)
Amortization of Bond Premium	848,431	937,980
Net Change in Developers' Escrow	(542)	7,313
Net Change in Reserve for Payment of Debt Service	272,773	
Unrealized Gain/(Loss) on Investment	450,558	(333,170)
Net Change in Inventory of Supplies	44,402	(163,164)
Interest Expense	(23,669,998)	(24,123,419)
	<hr/>	<hr/>
Net Nonoperating Revenue/(Expenses)	(18,331,874)	(19,232,465)
	<hr/>	<hr/>
Net Income/(Loss) Before Transfers	\$ (24,911,016)	\$ (23,994,958)
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The accompanying Notes to the Financial Statements are an integral part of this Statement.

**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Operating Transfers To/ From the State of New Jersey/Other:		
Debt Service Aid	\$ 31,525,000	\$ 27,810,000
Camden City PILOT Revenues	4,000,000	4,000,000
Camden City PILOT Expenditures	(4,000,000)	(4,000,000)
Camden County PILOT Revenues	419,000	419,000
Camden County PILOT Expenditures	(419,000)	(419,000)
Salem PILOT Revenues	31,224	31,224
Salem PILOT Expenditures	(31,224)	(31,224)
Paulsboro PILOT Revenues	718,073	500,000
Paulsboro PILOT Expenditures	(718,373)	(500,000)
Gloucester County PILOT Revenues	150,000	150,000
Gloucester County PILOT Expenditures	(150,000)	(150,000)
	31,524,700	27,810,000
Total Operating Transfers		
	6,613,684	3,815,042
Change in Net Position		
	39,626,611	35,811,569
Net Position - Beginning of Year		
	\$ 46,240,295	\$ 39,626,611
Net Position - End of Year		
	\$ 46,240,295	\$ 39,626,611

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



**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 55,321,992	\$ 36,116,516
Interest Receipts	438,949	56,445
Payments to Employees	(7,443,316)	(6,939,162)
Payments for Employee Benefits	(3,058,890)	(7,270,659)
Payments to Suppliers	(20,890,239)	(11,527,130)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	24,368,496	10,436,010
Cash Flows From Noncapital Financing Activities:		
Tenant and Developer Escrow Refunds	(542)	7,313
	<hr/>	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	(542)	7,313
Cash Flows From Capital & Related Financing Activities:		
Acquisition & Construction of Capital Assets	(9,767,955)	13,566,422
Capital Lease Payments	(601,586)	(450,622)
Federal Interest Subsidy	2,789,988	2,772,373
Insurance Proceeds	-	190,546
Interest Paid on Revenue Bonds	(23,680,358)	(24,163,376)
Principal Paid on Revenue Bonds	(10,835,000)	(10,350,000)
State Aid for Debt Service	31,525,000	27,810,000
Camden City PILOT Revenues	4,000,000	4,000,000
Camden City PILOT Payments	(4,000,000)	(4,000,000)
Camden County PILOT Revenues	419,000	419,000
Camden County PILOT Payment	(419,000)	(419,000)
Paulsboro PILOT Revenues	718,073	500,000
Paulsboro PILOT Expenditures	(718,373)	(500,000)
Gloucester County PILOT Revenues	150,000	150,000
Gloucester County PILOT Payment	(150,000)	(150,000)
Salem PILOT Revenues	31,224	31,224
Salem PILOT Payment	(31,224)	(31,224)
	<hr/>	<hr/>
Net Cash Provided/(Used) by Capital & Related Financing Activities	(10,570,211)	9,375,343
Cash Flows From Investing Activities:		
Unrealized Gain/(Loss) on Investment	450,558	(333,170)
Interest & Dividends	1,622,600	1,470,657
	<hr/>	<hr/>
Net Cash Provided/(Used) by Investing Activities	\$ 2,073,158	\$ 1,137,487

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

**SOUTH JERSEY PORT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Net Increase/(Decrease) in Cash & Cash Equivalents	\$ 15,870,901	\$ 20,956,153
Balances - Beginning of Year	110,768,430	89,812,277
Balances - End of Year	<u>\$ 126,639,331</u>	<u>\$ 110,768,430</u>

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (6,579,142)	\$ (4,762,493)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Activities:		
Depreciation & Net Amortization	10,144,266	9,686,693
(Increase)/Decrease in Accounts Receivable, Net	(811,326)	4,603,654
(Increase)/Decrease in Prepaid Expenses	5,023	(29,115)
Increase/(Decrease) in Accounts Payable	(1,725,045)	1,634,762
Increase/(Decrease) in Accrued Liabilities	(46,695)	(27)
Increase/(Decrease) in Contracts Payable	(185,236)	
Increase/(Decrease) in Lease Payable	277,728	(108,788)
Increase/(Decrease) in Early Retirement Payable	(32,288)	(25,402)
Increase/(Decrease) in Pension Payable	176,431	84,496
Increase/(Decrease) in Service Arrangements	(173,638)	(545,807)
Increase/(Decrease) in Unearned Grant Revenue	23,420,381	
Increase/(Decrease) in Unrealized Rental Income	(101,963)	(101,963)
Total Adjustments	<u>30,947,638</u>	<u>15,198,503</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 24,368,496</u>	<u>\$ 10,436,010</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies**

The accompanying financial statements of the South Jersey Port Corporation have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The accounting and financial reporting treatment applied to the South Jersey Port Corporation is determined by its measurement focus. The transactions of the Corporation are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources and liabilities, deferred inflow of resources associated with the operations are included on the statement of net position. Net position (i.e., total assets and deferred outflow of resources net of total liabilities and deferred inflow of resources) is segregated into net investment in capital assets; restricted for capital activity; restricted for debt service; and unrestricted components.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements:

The following GASB Statements became effective for the year ended December 31, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. Management does not expect this Statement to have a material impact on the Authority's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following statements which will become effective in future fiscal years:

Statement No. 100, *Accounting Changes and Error Corrections*. Statement No. 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. Management has not yet determined the potential impact on the Authority's financial statements.

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Authority's financial statements.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Reporting Entity**

The South Jersey Port Corporation was created by the "South Jersey Port Corporation Act, *N.J.S.A. 12:11A*", as an instrumentality of the State of New Jersey. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate and maintain marine terminals in the South Jersey Port district, which includes Mercer, Burlington, Camden, Gloucester, Salem, Cumberland and Cape May counties.

The South Jersey Port Corporation is a component unit of the State of New Jersey as described in Governmental Accounting Standards Board Statement No. 14 due to the existence of the above stated act, *N.J.S.A.12: 11A*. These financial statements would be either blended or discreetly presented as part of the State of New Jersey's financial statements if the State reported using generally accepted accounting principles applicable to governmental entities.

The operations of the Port are under the directorship of an eleven-member board. The Governor of the State appoints members for a term of five years. The day-to-day operations of the Port are under the administration of the Executive Director with approximately 109 full time employees and 6 part time employees.

The primary criterion for including activities within the Corporation's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ The organization is legally separate (can sue or be sued in their own name);
- ◆ The Corporation holds the corporate powers of the organization;
- ◆ The Governor appoints a voting majority of the organization's board;
- ◆ The Corporation is able to impose its will on the organization;
- ◆ The organization has the potential to impose a financial benefit/burden on the Corporation;
- ◆ There is a fiscal dependency by the organization on the Corporation.

Based on the aforementioned criteria, the Corporation has no component units.

**Accounting Policies and Basis of Presentation**

- a) **Basis of Accounting** - The basic financial statements of the South Jersey Port Corporation have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.
- b) **Cash Equivalents** - For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with maturity of one year or less to be cash equivalents.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Accounting Policies and Basis of Presentation (continued):**

- c) **Investment in Property, Plant and Equipment** – Investment in Property, Plant and Equipment is stated at cost, which generally includes net capitalized interest expense (See Note 5) as well as professional fees incurred during the construction period.

Replacements of Property, Plant and Equipment are recorded at cost. Related costs and accumulated depreciation are removed from the accounts and any gain or loss on disposition is either credited or charged to nonoperating revenues or expenses.

Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets (See Note 5).

- d) **Marine Terminal Revenue Bond Resolution**

The Corporation is subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 8, 2007, January 29, 2009, December 30, 2009, October 17, 2012, September 29, 2016 and November 16, 2017. The revenues generated by operations are to be distributed monthly based upon the following priorities:

- 1) **Operating Account** - 1/12 of the total appropriated for operating expenses in the annual budget for the current calendar year.
- 2) **Debt Service Account** - such amount necessary to increase the retained earnings to equal the Aggregate Debt Service Requirement. (Interest and principal on the bonds to accrue to the next interest payment date).
- 3) **Debt Reserve Account** - such amount necessary to increase the retained earnings to equal the Debt Reserve Requirement.
- 4) **Maintenance Reserve Account** - such amount necessary to increase the retained earnings to equal the Maintenance Reserve Fund Requirement, which is the amount, budgeted for major renewals, repairs or replacement.
- 5) **Tax Reserve Account** - such amount to increase the balance in the Payment Account to equal the Property Tax Reserve and then such amount to increase the balance in the Reserve Account to equal the tax payments for the current year.
- 6) **General Reserve Account** - such amount that remains after all previously mentioned requirements.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Accounting Policies and Basis of Presentation (continued):**

The following is a summary of the functions and activities of each account created by the Bond Resolution:

**Operating Account**

Purpose - to account for all operating revenues and expenditures of the Corporation.

Section 711 of the Bond Resolution states that on or before November 15 in each year, the Corporation shall complete a review of its financial condition for the purpose of estimating whether the rates, rents, fees, charges and other income and receipts from operating the Marine Terminals including investment income will be sufficient to provide for all of the payments and to meet all of the following requirements:

- (a) Operating Expenses during the calendar year, including reserves therefore, provided for in the Annual Budget for such year;
- (b) An amount equal to the Aggregate Debt Service for such calendar year;
- (c) The amount, if any, to be paid during such calendar year into the Debt Reserve Account;
- (d) The amount to be paid during such calendar year into the Maintenance Reserve Account to the extent funds are available; and
- (e) All other charges or liens whatsoever to be paid out of revenues during such calendar year and, to the extent not otherwise provided for, all amounts payable on Subordinated Debt.

Provided, however, in no event shall such rates, rents, fees and charges in any calendar year be less than those sufficient to provide Net Revenues in such year at least equal to 1.10 times the Aggregate Debt Service for such year. The Bond Resolution further states that if the Corporation determines that such revenues may not be sufficient to provide such payments plus principal and interest due or accrued on Consulting Engineers to make a study for the purpose of recommending a schedule of rates, fees and charges for the Marine Terminals which, in the opinion of the Corporation or the Consulting Engineers, will cause sufficient revenues to be collected in the following calendar year to provide funds for all such payments and will cause additional revenues to be collected in such following and later calendar years sufficient to restore the amount of such deficiency at the earliest practicable time.

**Debt Service Account**

Purpose - payment of principal and interest on Marine Terminal Revenue Bonds.

Debt Service payments for 2023 included \$10,835,000 for principal and \$23,680,358 for interest. 2022 included \$10,350,000 for principal and \$24,163,377 for interest. The funds to pay down the debt service were provided from debt service accounts within the Construction Fund for 2023 and 2022.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Debt Service Account (continued):**

Purpose - to provide necessary funds to meet debt service obligations should revenues be insufficient.

*N.J.S.A.12:11A-14* provides the following:

"In order to assure the maintenance of the maximum Debt Service Reserve in the South Jersey Port Corporation Reserve Fund, there shall be annually appropriated and paid to the Corporation for deposit in said fund, such sum, if any, as shall be certified by the Chairman of the Corporation to the Governor as necessary to restore said fund to an amount equal to the maximum Debt Service Reserve. The Chairman shall annually, on or before December 1, make and deliver to the Governor his certificate stating the sum, if any, required to restore said fund to the amount aforesaid, and the sum or sums so certified shall be appropriated and paid to the Corporation during the then current State Fiscal Year".

The Chairman certified to the Governor that the Port Corporation anticipated it would require State appropriations in the amount \$16,125,000 for Senior Lien Bonds and \$15,400,000 for Subordinate Bonds.

The Reserve Fund Requirement, as established under the terms of the Marine Terminal Bond Resolution dated November 8, 2007, is the highest amount of aggregate debt service payable in any succeeding year, which amount is \$34,242,585.

**Maintenance Reserve Account**

Purpose - to provide funds for major renewals, repairs or replacements essential to restore or prevent physical damage to, or to prevent loss of revenues from the Marine Terminals.

Section 506 of the Bond Resolution, as amended by Section 302 of the Supplemental Bond Resolution, specified that operating revenues shall be deposited to the Maintenance Reserve Account only after meeting the necessary payments to the Operating Account, Debt Service Account, Debt Reserve Account and Rebate Account.

Funds were provided from operating revenue during the years 2023 and 2022 of \$-0- and \$-0- respectively.

**Property Reserve Account**

Purpose is to accumulate proceeds from the sale of land or other property and to use such funds for projects involving the acquisition of real or personal property.

**Tax Reserve Account**

Purpose - for the payments of amounts due to local governments in lieu of property taxes as required by *N.J.S.12:11A-20*.



**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Tax Reserve Account (continued):**

*N.J.S.A.12:11A-20(b)* provides the following:

"To the end that counties and municipalities may not suffer undue loss of future tax revenue by reason of the acquisition of real property therein by the Corporation, the Corporation is hereby authorized, empowered and directed to enter into agreement or agreements (herein-after called 'tax agreements') with any county or municipality..... whereby it will undertake to pay a fair and reasonable sum or sums..... to compensate the said county or municipality for any loss of such tax revenue by reason of the acquisition of any such property by the Corporation....". *N.J.S.A.12:11A-20* provides the following:

"In order to assure provision of the property tax reserve in said fund, there shall be annually appropriated and paid to the Corporation for deposit in said fund, such sums, if any, as shall be certified by the Chairman of the Corporation to the Governor as then necessary to provide in said fund an amount equal to the property tax reserve. The Chairman shall annually on or before December 1 make and deliver to the Governor his certificate stating the sum if any needed to provide in said fund the amount of the property tax reserve as of said date, and the sum or sums so certified shall be appropriated and paid to the Corporation during the then current fiscal year".

During both 2023 and 2022 the State of New Jersey paid to the Corporation \$4,000,000 for Camden City, \$419,000 for Camden County, \$718,149 for Paulsboro Township, \$150,000 for Gloucester County, \$31,224 for Salem City to provide sufficient funds for tax payments.

**General Reserve Account**

Purpose - to accumulate excess revenues, which may subsequently be transferred to other funds to meet deficiencies or for the repayment to the State, amounts paid in discharge of its obligations under the Act, or for any other lawful purpose in connection with the Marine Terminals.

To this date, operating revenues have not been sufficient to provide funds for the General Reserve Account.

**Construction Account**

Purpose is to account for the cost of facilities and maintain a record of the Marine Terminal Revenue Bonds.

The South Jersey Port Corporation has issued various bonds as outlined in Note 7 for the improvement of the port facilities, debt reserve funds and capitalized interest. During 2009 Series P Bonds in the amount of \$157,880,000. In 2012 Series Q Bonds in the amount of \$60,060,000 and Series R in the amount of \$16,050,000 were issued to refund Series Bonds K and L. In 2016 Series S bonds were issued to refund Series Bonds N and O in the amount of \$40,320,000. During 2017 Series A Bonds in the amount of \$23,860,000 and Series B Bonds in the amount of \$231,140,000 were issued and these funds are also still available for approved projects.

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Construction Account (continued):**

With certain exceptions, existing arbitrate laws require a rebate to the federal government of all earnings on the investment of the proceeds of tax-exempt obligations, issued after September 1, 1986, in excess of the yield on such obligations and any income earned on such excess. A portion of past or future interest earnings may be subject to federal rebate. An arbitrage calculation analysis has been performed through January 1, 2024 for such required tax-exempt obligations and it has been determined that no liability is due to the federal government at this time.

**Note 2. Cash & Cash Equivalents**

The Corporation is governed by the deposit and investment limitations of New Jersey state law. The Deposits and Investments held at December 31, 2023 and 2022 are as follows:

Type	2023 Carrying Value	2022 Carrying Value
<b>Deposits:</b>		
Demand Deposits	<u>\$123,653,480</u>	<u>\$ 97,607,114</u>
Total Deposits	<u>\$123,653,480</u>	<u>\$ 97,607,114</u>

**Reconciliation of Statement of Net Position:**

Current:

Unrestricted Assets:		
Cash & Cash Equivalents	\$ 12,391,625	\$ 6,739,018
Restricted Assets:		
Cash & Cash Equivalents	<u>111,261,855</u>	<u>90,868,096</u>
Total	<u>\$123,653,480</u>	<u>\$ 97,607,114</u>

Custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. The Corporation does not have a deposit policy for custodial credit risk. As of December 31, 2023 and 2022, the Corporation's bank balance of \$117,032,276 and \$97,283,686 respectively, was insured or collateralized as follows:

Insured	\$ 1,000,000	\$ 838,721
Collateralized in the Corporation's Name Under GUDPA (See Note 3)	116,032,276	96,444,965
Collateralized not in the Corporation's Name (New Jersey Cash Management Fund)	<u>-</u>	<u>-</u>
Total	<u>\$117,032,276</u>	<u>\$ 97,283,686</u>

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 2. Cash & Cash Equivalents (continued):**

**Note 3. Investments**

**A. Custodial Credit Risk**

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Corporation, and are held by either the counterparty or the counterparty's trust department or agent but not in Corporation's name. All of the Corporation's investments are held in the name of the Corporation and are collateralized by GUDPA.

**B. Investment Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Corporation has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2023 and 2022, are provided in the above schedule.

**C. Investment Credit Risk**

The Corporation has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Corporation or bonds or other obligations of the local unit or units within which the Corporation is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Corporation;
- Local Government investment pools;

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 3. Investments (continued):**

**C. Investment Credit Risk (continued):**

- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection A herein;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral.
- Any investment instruments in which the security is not physically held by the Corporation shall be covered by a third-party custodial agreement which shall provide for the designation of such investments in the name of the Corporation and prevent unauthorized use of such investments;
- Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the Corporation or a third-party custodian prior to or upon the release of the Corporation's funds.
- Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and deemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c. 93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 3. Investments (continued):**

**C. Investment Credit Risk (continued):**

As of December 31, 2023 and 2022, the Corporation had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Rating</u>	<u>2023</u> <u>Fair Value</u>
US Treasury Notes	6/30/24	Aaa	\$ 2,985,851
US Treasury Notes	6/30/27	Aaa	3,420,305
US Treasury Notes	5/15/32	Aaa	<u>\$ 3,243,240</u>
Total			<u>\$ 9,649,396</u>

<u>Investment</u>	<u>Maturities</u>	<u>Rating</u>	<u>2022</u> <u>Fair Value</u>
Federal Farm Credit Bank	6/08/23	Aaa	\$ 5,750,268
Federal Home Loan Bank	3/22/23	N/A	801,403
US Treasury Notes	6/30/27	Aaa	3,384,185
US Treasury Notes	5/15/32	Aaa	<u>\$ 3,225,460</u>
Total			<u>\$ 13,161,316</u>

The Corporation deposited cash in 2022 and 2021 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 4. Governmental Unit Deposit Protection Act (GUDPA)**

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository.

The Corporation should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 5. Property, Plant & Equipment**

The following is a summary of property, plant and equipment at cost, less accumulated depreciation and amortization for the years ended December 31, 2023 and 2022:

<u>Description</u>	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclass</u>	<u>Balance December 31, 2023</u>
Land	\$ 20,683,410			591,087	\$ 21,274,497
Construction in Progress	198,819,883	5,568,187	(1,946,887)	(4,514,623)	197,926,560
<u>Capital Assets Being Depreciated:</u>					
Building & Improvements	\$ 60,587,731	76,076	(592,302)	(597,511)	59,473,994
Land Improvements	292,956,882	658,186	(5,310,099)	9,581,627	297,886,596
Equipment	26,830,690	1,491,336	(1,252,665)	(1,893,701)	25,175,660
Vehicles		125,374	(4,917)	721,814	842,271
Engineering & Other	7,004,480			(7,004,480)	-
Financing Costs	2,281,413	2			2,281,415
Right of Use Assets	-			3,115,787	3,115,787
Total Assets Being Depreciated	<u>\$ 389,661,196</u>	<u>2,350,974</u>	<u>(7,159,983)</u>	<u>3,923,536</u>	<u>\$ 388,775,723</u>
<u>Less: Accumulated Depreciation:</u>					
Building & Improvements	\$ 28,542,895	1,389,195	(483,571)	(331,847)	\$ 29,116,672
Land Improvements	96,730,925	7,492,329	(5,047,733)	5,195,102	104,370,623
Equipment	18,416,307	833,997	(812,803)	(658,557)	17,778,944
Vehicles		88,730	(4,916)	564,060	647,874
Engineering & Other	5,180,435			(5,180,435)	-
Financing Costs	1,951,076	57,036			2,008,112
Right of Use Assets	-	282,978		411,677	694,655
Total Accumulated Depreciation	<u>150,821,638</u>	<u>10,144,265</u>	<u>(6,349,023)</u>	<u>-</u>	<u>154,616,880</u>
Net Assets Being Depreciated	<u>238,839,558</u>	<u>(7,793,291)</u>	<u>(810,960)</u>	<u>3,923,536</u>	<u>234,158,843</u>
Total Capital Assets	<u>\$ 458,342,851</u>	<u>(2,225,104)</u>	<u>(2,757,847)</u>	<u>-</u>	<u>\$ 453,359,900</u>

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 5. Property, Plant & Equipment (Continued):**

<u>Description</u>	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclass</u>	<u>Balance December 31, 2022</u>
Land	\$ 20,683,410				\$ 20,683,410
Construction in Progress	189,224,216	11,835,480		(2,239,813)	198,819,883
<u>Capital Assets Being Depreciated:</u>					
Building & Improvements	\$ 59,774,781	812,950			\$ 60,587,731
Land Improvements	286,257,947	4,565,922		2,133,013	292,956,882
Equipment	29,500,290	580,122	(3,249,722)		26,830,690
Engineering & Other	11,636,673	70,622	(4,809,615)	106,800	7,004,480
Financing Costs	9,159,938		(6,878,525)		2,281,413
Total Assets Being Depreciated	<u>\$ 396,329,629</u>	<u>6,029,616</u>	<u>(14,937,862)</u>	<u>2,239,813</u>	<u>\$ 389,661,196</u>
<u>Less: Accumulated Depreciation:</u>					
Building & Improvements	\$ 27,009,212	1,533,683			\$ 28,542,895
Land Improvements	90,440,370	6,290,555			96,730,925
Equipment	20,832,890	833,139	(3,249,722)		18,416,307
Engineering & Other	8,972,115	1,017,935	(4,809,615)		5,180,435
Financing Costs	8,772,565	57,036	(6,878,525)		1,951,076
Total Accumulated Depreciation	<u>156,027,152</u>	<u>9,732,348</u>	<u>(14,937,862)</u>		<u>150,821,638</u>
Net Assets Being Depreciated	<u>240,302,477</u>	<u>(3,702,732)</u>		<u>2,239,813</u>	<u>238,839,558</u>
Total Capital Assets	<u>\$ 450,210,103</u>	<u>8,132,748</u>	<u>-</u>	<u>-</u>	<u>\$ 458,342,851</u>

**Note 6. Pension Plan**

**Description of System and Vesting**

All eligible authority employees participate in the contributory defined benefit public employee retirement system established by state statute. The Public Employees Retirement System (PERS) is sponsored and administered by the State of New Jersey and considered a cost-sharing multiple employer plan.

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time



**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 6. Pension Plan (continued):**

employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier    Definition**

- 1     Members who were enrolled prior to July 1, 2007
- 2     Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3     Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4     Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5     Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

At December 31, 2023 the Corporation reported a liability of \$13,135,482 for its proportionate share of the net pension liability as 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 that date. The Corporation elected to record \$1,212,060 as current pension liability from the above amount. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long – term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the Corporation's proportion was .0906872637% which increased slightly by .000856% from its proportion measured as of June 30, 2022.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 6. Pension Plan (continued):**

PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2023 and 2022, the Corporation recognized pension expense (benefit) of \$135,384 and (\$873,782) respectively. At December 31, 2023 and 2022, the Corporation reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference Between Expected and Actual Experience	\$ 125,592	53,694	\$ 89,452	78,884
Changes of Assumptions	28,856	796,067	38,400	1,855,829
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	60,491	-	512,965	-
Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions	2,121,446	209,955	1,418,434	666,314
Authority Contributions Subsequent to The Measurement Date	-	-	-	-
	<u>\$2,336,385</u>	<u>\$1,059,716</u>	<u>\$2,059,251</u>	<u>\$2,601,027</u>

\$2,336,385 and \$2,059,251 reported as deferred outflows of resources related to pensions resulting from Corporation contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023 and 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 6. Pension Plan (continued):**

Year Ended December 30,		Year Ended December 30,	
2024	\$ (693,504)	2023	\$(1,063,120)
2025	(387,088)	2024	(541,624)
2026	540,929	2025	(264,140)
2027	(96,805)	2026	576,253
2028	1,647	2027	(1,266)
Thereafter	<u>-</u>	Thereafter	<u>-</u>
<b>Total</b>	<b>\$ (634,821)</b>	<b>Total</b>	<b><u>\$(1,293,897)</u></b>

**Changes in Proportion**

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

**Additional Information**

Collective balances at November 30, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Collective deferred outflows of resources	\$ 2,336,385	\$ 2,059,251
Collective deferred inflows of resources	1,059,716	2,601,027
Collective net pension liability	13,135,482	12,393,713
 District's Proportion	 .0906872637%	 .0821244696%

***Actuarial Assumptions***

The total pension liability in the June 30, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

	<b><u>2023</u></b>		<b><u>2022</u></b>
Inflation Rate		Inflation Rate	
Price	2.75%	Price	2.75%
Wage	3.25%	Wage	3.25%
 Salary Increases:	 2.75 – 6.55%	 Salary Increases:	 2.75 – 6.55%
	Based on Years of Service		Based on Years of Service
 Investment Rate of Return	 7.00%	 Investment Rate of Return	 7.00%

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 6. Pension Plan (continued):**

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.

***Long-Term Expected Rate of Return***

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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 and 2022 are summarized in the following tables:

<u>Asset Class</u>	<u>Measurement Date</u> <u>June 30, 2023</u>		<u>Measurement Date</u> <u>June 30, 2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
International Small Cap Equity	1.25%	9.22%	-	-
U.S. Treasuries	4.00%	1.75%	4.00%	1.75%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Real Assets	3.00%	8.40%	3.00%	7.60%
Real Estate	8.00%	8.58%	8.00%	11.19%
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-US Developed Mkt Equity	12.75%	9.22%	13.50%	8.38%
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	<u>13.00%</u>	12.50%	<u>13.00%</u>	11.80%
	<u>100.00%</u>		<u>100.00%</u>	

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6. Pension Plan (continued):**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

***Sensitivity of the Collective 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 and 2022, respectively, 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:

<b>2023</b>			
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Corporation's Proportionate Share of Net Pension Liability	\$ 17,099,603	\$13,135,482	\$ 9,761,491
<b>2022</b>			
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Corporation's Proportionate Share of Net Pension Liability	\$ 15,922,291	\$ 12,393,713	\$ 9,390,751

***Special Funding Situation***

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 66, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. The Authority elected not to record the associated revenue and expenditure on their financial

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 6. Pension Plan (continued):**

statements however, the non-employer contribution amount for the year ended December 31, 2023 is \$40,965 with an employer proportionate share of .0910315763%.

**Contribution Requirements**

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. PERS provide for employee contributions of 7.50%, effective October 1, 2018 of employees' annual compensation as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The South Jersey Port Corporation's contributions to P.E.R.S. for the years ending December 31, 2023 and 2022 was \$1,212,060 and \$1,035,629 respectively.

The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information. To obtain this additional detailed information about the pension plan it is available in a separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/gasb-68-rpts.shtml>.

**Early Retirement Incentive Plan**

In 2003 the State of New Jersey signed into Law the State Early Retirement Incentive (ERI) program as Chapter 23, PL. 2002. The ERI has a provision that allows optional participation in the program by certain State Autonomous Authorities. Participation is optional, as these organizations will have to bear the cost of the incentives provided to their employees who retire. The Board of Directors of the South Jersey Port Corporation adopted a resolution to allow its eligible employees to participate in the ERI program. In 2002 four employees elected to participate in the ERI. In 2003 an additional four employees elected to participate in the ERI. The liability to the Corporation is \$1,086,043 as of December 31, 2023.

Payments for the liability will be spread over 30 years. Each consecutive year's payment would increase by 4.00%. All the payment schedules incorporate an annual percentage rate of interest equaling 8.25%. The Corporation made its payment towards the ERI Program in 2023 and 2022 for \$124,550 and \$119,760 respectively, which included principal and interest.

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
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**Early Retirement Incentive Plan (continued):**

The following is a summary of the Early Retirement Incentive Plan required payments for interest and principal:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 39,933	\$ 89,599	\$ 129,532
2025	48,409	86,304	134,713
2026	57,792	82,310	140,102
2027	68,164	77,542	145,706
2028	79,615	71,919	151,534
2029	92,244	65,351	157,595
2030	106,158	57,741	163,899
2031	121,472	48,983	170,455
2032	138,312	38,961	177,273
2033	156,814	27,550	184,364
2034	<u>177,130</u>	<u>14,613</u>	<u>191,743</u>
Total	<u>\$1,086,043</u>	<u>\$ 660,873</u>	<u>\$1,746,916</u>

**Note 7. Long-Term Debt**

The following is a summary of long-term debt at December 31, 2023:

Issue	Initial Date of Issue	Date of Final Maturity	Interest Rates	Original Issue Amount	Principal Balance Outstanding
Series 2009 P Marine Terminal Revenue Bonds	12/30/09	01/01/40	5.750% 7.365%	157,880,000	115,865,000
Series 2012 Q Marine Terminal Refunding Bonds	10/17/12	01/01/33	3.130% 3.250%	60,060,000	22,520,000
Series 2012 R Marine Terminal Refunding Bonds	10/17/12	01/01/24	4.000%	16,050,000	900,000
Series 2016 S Marine Terminal Refunding Bonds	09/29/16	01/01/39	3.350% 5.875%	40,320,000	31,675,000
Series 2017 A Marine Terminal Revenue Bonds	11/16/17	01/01/49	5.00%	23,860,000	23,860,000
Series 2017 B Marine Terminal Revenue Bonds	11/16/17	01/01/48	5.00%	231,140,000	<u>231,140,000</u>

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

Total	\$425,960,000
Add: Unamortized Bond Premium	17,527,838
Less: Current Maturities Included in Current Liabilities	<u>11,090,000</u>
Balance	<u>\$432,397,838</u>

The following table sets forth the amount required for payment of principal and interest due on Series A, B, P, Q, R and S bonds (whether at maturity or by sinking fund redemption):

Year	Principal	Interest	Total
2024	\$ 11,090,000	\$ 23,129,212	\$ 34,219,212
2025	11,740,000	22,502,585	34,242,585
2026	12,255,000	21,842,303	34,097,303
2027	12,820,000	21,151,624	33,971,624
2028	13,400,000	20,428,865	33,828,865
2029-2033	74,880,000	90,092,617	164,972,617
2034-2038	92,875,000	65,890,982	158,765,982
2039-2043	85,250,000	38,267,783	123,517,783
2044-2048	90,700,000	17,016,750	107,716,750
2049	<u>20,950,000</u>	<u>523,750</u>	<u>21,473,750</u>
Total	<u>\$425,960,000</u>	<u>\$320,846,471</u>	<u>\$746,806,471</u>

a) On December 30, 2009, the Corporation issued \$157,880,000 in aggregate Marine Terminal Revenue Bonds, Series P. The Series P Bonds consist of \$4,925,000 Marine Terminal Revenue Bonds, Series 2009 P-1 (Federally Taxable), \$23,215,000 Marine Terminal Revenue Bonds, Series 2009 P-2 (Tax-Exempt Private Activity), and \$129,740,000 Marine Terminal Revenue bonds, Series 2009 P-3 (Federally Taxable). The Series P Bonds were issued to provide funds to (i) the 2009 Paulsboro Marine Terminal Project; (ii) fund a deposit to the Debt Reserve Fund; (iii) fund capitalized interest on the Series 2009 P Bonds through January 1, 2001; and (iv) pay the costs of issuance of the Series 2009 P Bonds.

b) On October 17, 2012, the Corporation performed a partial current refunding of Marine Terminal Revenue and Revenue Refunding Bonds Series K and L. The Corporation issued Series Q (\$60,060,000) Marine Terminal Refunding Bonds (Tax-Exempt) and Series R (\$16,050,000) Marine Terminal Revenue Refunding Bonds (Taxable). The proceeds of the Series 2012 Bonds, together with other funds, are being used to (i) refund certain callable maturities of the 2002 Bonds; (ii) fund the required deposit to the Debt Reserve Fund; and (iii) pay the costs of issuance of the Series 2012 Bonds.



**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

c) On September 29, 2016, the Corporation performed advance-refunding of Marine Terminal Revenue Bonds Series N and O. The Corporation issued Series S-1 (\$33,035,000) Marine Terminal Revenue and Revenue Refunding Bonds and Series S-2 (\$7,285,000) Marine Terminal Revenue Refunding Bonds (AMT). A portion of the proceeds of the Series 2016 S-1 Bonds will be used to: (i) advance-refund the Corporation’s Series N Bonds and (ii) advance-refund the Series 2009 O-1 and O-2 Bonds (Prior Tax-Exempt Bonds). A portion of the proceeds of the 2016 S-2 Bonds will be used to currently refund the Corporation’s Series 2003 M Bonds (Prior AMT Bonds and together with the Prior Tax-Exempt Bonds, the “Prior Bonds”). A portion of the proceeds of the Series 2016 Bonds will be deposited into the Project Fund established under the Bond Resolution for purposes of funding the 2016 Capital Plan. A portion of the proceeds of the Series 2016 Bonds, together with other available funds, will be deposited in the Debt Reserve Fund in an amount sufficient to bring the balance in the Debt Reserve Fund to the Debt Reserve Requirement. This current refunding was undertaken to obtain an economic gain (difference between the present value of the debt service payments of the Refunded and Refunding Bonds) of \$400,000.

d) On November 16, 2017, the Corporation issued \$255,000,000 in Subordinated Marine Terminal Revenue Bonds, Series 2017. The Series 2017 Bonds consist of \$23,860,000 Subordinated Marine Terminal Revenue Bonds, Series 2017A (Tax-Exempt), and \$231,140,000 Subordinated Marine Terminal Revenue bonds, Series 2017b (AMT). The Series 2017 Bonds were issued to provide funds to (i) pay the costs of various capital improvements and projects included in the Corporation’s capital plan, (ii) make the required deposit into the Subordinated Debt Reserve Fund; (iii) fund capitalized interest on the Series 2017 Bonds through January 1, 2019; and (iv) pay the costs of issuance of the Series 2017 Bonds.

The following is a summary detailing the schedule of outstanding bonds by year, series and the annual debt principal requirements for each:

Issue Year	.....SERIES P-2.....		....SERIES P-3.....		SERIES “P”
	Annual Principal	Interest Rate	Annual Principal	Interest Rate	Total Principal
2024	\$1,055,000	5.750	-	-	\$ 1,055,000
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	29,985,000	7.065	29,985,000
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

Issue Year	.....SERIES P-2.....		....SERIES P-3.....		SERIES "P"
	Annual Principal	Interest Rate	Annual Principal	Interest Rate	Total Principal
2039	-		-		-
2040	-		<u>84,825,000</u>	7.365	<u>84,825,000</u>
Total	<u>\$ 1,055,000</u>		<u>114,810,000</u>		<u>\$115,865,000</u>

Issue Year	.....SERIES Q.....		.....SERIES R.....	
	Annual Principal	Interest Rate	Annual Principal	Interest Rate
2024	\$ 950,000	3.00	\$ 900,000	4.00
2025	2,050,000	3.00	-	
2026	2,100,000	3.00	-	
2027	2,175,000	3.00	-	
2028	2,245,000	3.00	-	
2029	2,355,000	3.00	-	
2030	2,475,000	3.00	-	
2031	2,600,000	3.13	-	
2032	2,715,000	3.13	-	
2033	2,855,000	3.25	-	
2034	-		-	
2035	-		-	
2036	-		-	
2037	-		-	
2038	-		-	
2039	-		-	
2040	-		-	
Total	<u>\$22,520,000</u>		<u>\$ 900,000</u>	

Issue Year	.....SERIES S-1.....		.....SERIES S-2.....		Series S
	Annual Principal	Interest Rate	Annual Principal	Interest Rate	Total Principal
2024	\$		\$ 1,750,000	5.00	1,750,000
2025	1,840,000	5.00	-		1,840,000
2026	1,930,000	5.00	-		1,930,000
2027	2,030,000	5.00	-		2,030,000
2028	2,130,000	5.00	-		2,130,000
2029	2,230,000	5.00	-		2,230,000
2030	2,360,000	5.00	-		2,360,000
2031	1,670,000	5.00	-		1,670,000
2032	1,755,000	3.50	-		1,755,000

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

Issue Year	.....SERIES S-1.....		.....SERIES S-2.....		Series S
	Annual Principal	Interest Rate	Annual Principal	Interest Rate	Total Principal
2033	\$ 1,820,000	5.00	-		\$ 1,820,000
2034	1,915,000	5.00	-		1,915,000
2035	2,005,000	5.00	-		2,005,000
2036	2,100,000	3.75	-		2,100,000
2037	2,185,000	5.00	-		2,185,000
2038	2,285,000	5.00	-		2,285,000
2039	<u>1,670,000</u>	5.00	<u>-</u>		<u>1,670,000</u>
Total	<u>\$29,925,000</u>		<u>1,750,000</u>		<u>\$31,675,000</u>

Issue Year	.....SERIES A.....		.....SERIES B.....		Grand
	Annual Principal	Interest Rate	Annual Principal	Interest Rate	Total Principal
2024	\$ -		\$ 2,890,000	5.00	\$ 11,090,000
2025	-		3,025,000	5.00	11,740,000
2026	-		3,180,000	5.00	12,255,000
2027	-		3,340,000	5.00	12,820,000
2028	-		3,505,000	5.00	13,400,000
2029	-		3,680,000	5.00	14,040,000
2030	-		3,865,000	5.00	14,740,000
2031	-		4,055,000	5.00	14,650,000
2032	-		4,260,000	5.00	15,360,000
2033	-		4,470,000	5.00	16,090,000
2034	-		7,660,000	5.00	16,855,000
2035	-		8,045,000	5.00	17,680,000
2036	-		8,445,000	5.00	18,540,000
2037	-		8,870,000	5.00	19,430,000
2038	-		9,310,000	5.00	20,370,000
2039	-		9,780,000	5.00	20,645,000
2040	-		10,265,000	5.00	19,900,000
2041	-		14,180,000	5.00	14,180,000
2042	-		14,890,000	5.00	14,890,000
2043	-		15,635,000	5.00	15,635,000
2044	-		16,415,000	5.00	16,415,000
2045	-		17,235,000	5.00	17,235,000
2046	-		18,100,000	5.00	18,100,000
2047	-		19,000,000	5.00	19,000,000
2048	2,910,000	5.00	17,040,000	5.00	19,950,000
2049	<u>20,950,000</u>	5.00	<u>-</u>		<u>20,950,000</u>
Total	<u>\$23,860,000</u>		<u>\$231,140,000</u>		<u>\$425,960,000</u>

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

The following is a summary detailing the schedules of annual sinking fund payment requirements by year and series:

<b>ISSUE YEAR</b>	<b>SERIES A</b>	<b>SERIES B</b>	<b>SERIES P-3</b>	<b>SERIES S-1</b>	<b>GRAND TOTAL</b>
2024 \$	-	-	3,545,000	-	\$ 3,545,000
2025	-	-	4,825,000	-	4,825,000
2026	-	-	5,045,000	-	5,045,000
2027	-	-	5,275,000	-	5,275,000
2028	-	-	5,520,000	-	5,520,000
2029	-	-	5,775,000	-	5,775,000
2030	-	-	6,040,000	-	6,040,000
2031	-	-	6,325,000	-	6,325,000
2032	-	-	6,630,000	-	6,630,000
2033	-	-	6,945,000	-	6,945,000
2034	-	-	7,280,000	-	7,280,000
2035	-	-	7,630,000	-	7,630,000
2036	-	-	7,995,000	-	7,995,000
2037	-	-	8,375,000	2,185,000	10,560,000
2038	-	9,310,000	8,775,000	2,285,000	20,370,000
2039	-	9,780,000	9,195,000	1,670,000	20,645,000
2040	-	10,265,000	9,635,000	-	19,900,000
2041	-	14,180,000	-	-	14,180,000
2042	-	14,890,000	-	-	14,890,000
2043	-	15,635,000	-	-	15,635,000
2044	-	16,415,000	-	-	16,415,000
2045	-	17,235,000	-	-	17,235,000
2046	-	18,100,000	-	-	18,100,000
2047	-	19,000,000	-	-	19,000,000
2048	2,910,000	17,040,000	-	-	19,950,000
2049	<u>20,950,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,950,000</u>
<b>Total</b>	<u>\$23,860,000</u>	<u>161,850,000</u>	<u>114,810,000</u>	<u>6,140,000</u>	<u>\$306,660,000</u>

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

The following Term Bonds are subject to mandatory sinking fund redemption prior to maturity on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price of 100% of the principal amount plus accrued interest to the date of redemption:

Series 2017A – Bonds Maturing January 1, 2049

<u>Year</u>	<u>Principal Amount</u>
2048	\$ 2,910,000
2049	<u>20,950,000</u>
Total	<u>\$ 23,860,000</u>

Series 2017B – Bonds Maturing January 1, 2048

<u>Year</u>	<u>Principal Amount</u>
2038	\$ 9,310,000
2039	9,780,000
2040	10,265,000
2041	14,180,000
2042	14,890,000
2043	15,635,000
2044	16,415,000
2045	17,235,000
2046	18,100,000
2047	19,000,000
2048	<u>17,040,000</u>
Total	<u>\$161,850,000</u>

Series P-3 – Bonds Maturing January 1, 2029

<u>Year</u>	<u>Principal Amount</u>
2024	\$ 3,545,000
2025	4,825,000
2026	5,045,000
2027	5,275,000
2028	5,520,000
2029	<u>5,775,000</u>
Total	<u>\$ 29,985,000</u>

Series P-3 - Bonds Maturing January 1, 2040

<u>Year</u>	<u>Principal Amount</u>
2030	\$ 6,040,000
2031	6,325,000
2032	6,630,000
2033	6,945,000
2034	7,280,000
2035	7,630,000
2036	7,995,000
2037	8,375,000
2038	8,775,000
2039	9,195,000
2040	<u>9,635,000</u>
Total	<u>\$84,825,000</u>

## SOUTH JERSEY PORT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

#### **Note 7. Long-Term Debt (continued):**

The Series 2009 P-3 Taxable Build America Bonds are not subject to optional redemption prior to their stated maturities.

The Series 2009 P-3 Taxable Build America Bonds are subject to redemption prior to maturity by written direction of the Corporation, in whole or in part, at any time on any business day, at the “Make-Whole Redemption Price”. The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the Series 2009 P-3 Taxable Build America Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2009 P-3 Taxable Build America Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2009 P-3 Taxable Build America Bonds are to be redeemed, discounted to the date on which the Series 2009B Taxable Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted “Treasury Rate” plus 25 basis points, plus, in each case, accrued and unpaid interest on the Series 2009 P-3 Taxable Build America Bonds to be redeemed to the redemption date.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available on a date that is selected by the Corporation that is not less than two (2) business days and not more than fifty (50) days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2009 P-3 Taxable Build America Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The following table sets forth the amount of interest subsidy payments expected to be requested for the Build America Bonds:

<b>Year</b>	<b>Interest Subsidy to be Received</b>
2024	\$ 2,884,201
2025	2,780,717
2026	2,658,686
2027	2,531,092
2028	2,397,626
2029-2033	9,705,870
2034-2038	5,104,525
2039-2040	<u>491,061</u>
Total	<u>\$28,553,778</u>

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

The Series 2012 Bonds maturing on or after January 1, 2024 are subject to redemption prior to maturity, at the option of the Corporation, upon notice as described below, as a whole or in part at any time on or after January 1, 2023. The Series 2012 Bonds or portions thereof to be redeemed shall be selected by the Trustee in any order of maturity at the written election of the Corporation signed by an Authorized Officer, as set forth in said written election, and with a maturity by lot in any other customary manner determined by the Trustee. Any such redemption shall be made at a Redemption Price of 100% of the principal amount of Series 2012 Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

The Series 2016 Bonds maturing on or after January 2027 are subject to redemption prior to maturity, at the option of the Corporation, upon notice as described below, as a whole or in part at any time on or after January 1, 2026. The Series 2016 Bonds or portions thereof to be redeemed shall be selected by the Trustee in any order of maturity at the written election of the Corporation signed by an Authorized Officer, as set forth in said written election, and with a maturity by lot in any other customary manner determined by the Trustee. Any such redemption shall be made at a Redemption Price of 100% of the principal amount of Series 2016 Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

The Series 2017 Bonds maturing on or after January 1, 2029 are subject to redemption prior to maturity, at the option of the Corporation, upon notice as described in the prior schedule for mandatory sinking fund redemption, as a whole or in part at any time on or after January 1, 2028. The Series 2017 Bonds or portions thereof to be redeemed shall be selected by the Trustee in any order of maturity at the written election of the Corporation signed by an Authorized Officer of the Corporation, as set forth in said written election, and within a maturity by lot in any other customary manner determined by the Trustee. Any such redemption shall be made at a Redemption Price of 100% of the principal amount of Series 2017 Bonds called for redemption, without premium, plus accrued interest to the date of redemption.

The following is a summary of all long-term debt of the Corporation as of December 31, 2023 and 2022:

	<b>Balance December 31, 2022</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance December 31, 2023</b>	<b>Due Within One Year</b>
<u>Restricted:</u>					
Bond Payable	\$436,795,000		(10,835,000)	425,960,000	11,090,000
Lease Payable	4,634,991	673,066	(395,338)	4,912,719	2,553,099
	<hr/>				
Total	\$441,429,991	673,066	(11,230,338)	\$430,872,719	13,643,099
	<hr/>				
				Add: Unamortized Bond Premium	17,617,387
				Less: Due within One Year	13,643,099
				Total	<u>\$434,847,007</u>

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 7. Long-Term Debt (continued):**

	Balance December 31, 2021	Issued/ Adjustments	Retired	Balance December 31, 2022	Due Within One Year
<u>Restricted:</u>					
Bond Payable	\$447,145,000		(10,350,000)	436,795,000	10,835,000
Lease Payable	4,743,779	-	(108,788)	2,634,991	2,395,338
<b>Total</b>	<b>\$451,888,779</b>	-	<b>(10,458,788)</b>	<b>\$441,429,991</b>	<b>13,230,338</b>
				18,465,818	
				<u>13,230,338</u>	
				<u>\$446,665,471</u>	

**Note 8. Commitments**

**Lessor**

The South Jersey Port Corporation lease various rental spaces to tenants. The interest rates on the leases are fixed based on the U.S. prime interest rate of lease commencement, or at the interest rate explicitly prescribed in the lease agreement. As of December 31, 2023, leases receivable are \$29,680,966, and lease revenue and interest income related to the payments received for the year ended December 31, 2023 are \$4,572,390 and \$1,593,401, respectively and summarized as follows:

	Commencement <u>Date</u>	Payment <u>Terms</u>	Lease Receivable <u>12/31/23</u>	Rent Revenue	Interest Revenue
Central Metals	02/01/21	5 years	\$ 14,095	\$ 5,614	\$ 541
Delaware River Stevedores	10/01/20	3 years	-	56,211	610
D&M Transport Lease	10/01/19	5 years	11,781	15,152	940
Mid-Atlantic Salt	01/01/17	7 years	-	20,997	362
NUTSCO	03/21/03	30 years	276,284	24,410	12,178
Tri-State	04/01/22	5 years	62,130	55,357	3,059
Eastern Concrete	09/01/14	10 years	40,416	59,008	2,192
State Metal Industries	12/15/15	10 years	449,532	222,648	18,268
Mid Atlantic Shipping	08/01/16	10 years	59,726	21,710	2,434
John Lawrie	05/01/20	5 years	484,532	346,867	20,893
Camden Int'l Commodities	08/01/04	31 years	1,184,287	708,005	64,002
Joseph Oat	07/01/05	20 years	959,541	241,387	86,479



**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 8. Commitments (continued):**

<u>Lease</u>	<u>Commencement Date</u>	<u>Payment Terms</u>	<u>Lease</u>		
			<u>Receivable 12/31/23</u>	<u>Rent Revenue</u>	<u>Interest Revenue</u>
Camden Iron & Metal	12/01/11	19 years	\$ 3,516,587	\$ 446,208	\$ 120,648
EMR	06/01/19	15 years	556,663	38,546	31,454
Camden Yards Steel	06/01/18	15 years	2,322,153	188,447	119,965
Camden Iron & Metal	01/01/11	26 years	255,486	73,673	25,173
Camden Waterfront	12/03/04	10 years	1,007,584	899,152	46,094
Paulsboro Marine Terminal	03/01/99	14 years	10,367,606	1,148,998	381,002
St Lawrence/ESSROC	11/01/99	54 years	<u>8,112,624</u>	<u>201,192</u>	<u>657,107</u>
<b>Total</b>			<b><u>\$ 29,680,966</u></b>	<b><u>\$4,572,390</u></b>	<b><u>\$ 1,593,401</u></b>

**Lessee**

The South Jersey Port Corporation entered into leases for various copiers, trucks, and office rental. The interest rates on the leases are fixed based on the U.S. prime interest rate of lease commencement, or at the interest rate explicitly prescribed in the lease agreement. CNHI and John Deer lease agreements contain a purchase option at the end of the lease term which the South Jersey Port Corporation is expected to exercise; accordingly, the related right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Lease</u>	<u>Effective Date</u>	<u>Term</u>	<u>Annual Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability</u>	<u>Balance Dec 31, 2023</u>
Conrail	02/01/16	25 yrs	\$ 4,000	3.50%	\$ 67,853	\$ 52,019
Mail Machine	04/01/19	5 yrs	4,983	5.50%	28,966	10,041
Railcar	02/26/20	6 yrs	102,000	4.99%	527,950	216,662
Xerox Copiers	02/21/20	5 yrs	42,000	4.75%	185,866	42,550
Tractor Loader Backhoe	10/27/21	5 yrs	20,883	3.99%	94,781	55,909
Wheel Loader	10/26/21	5 yrs	54,045	3.99%	245,273	144,609
Skid Steer	01/26/22	5 yrs	23,589	3.17%	119,137	73,526
FTB Operation	09/02/22	10 yrs	185,944	3.25%	1,764,680	1,494,889
John Deer Wheel Loader	10/26/22	5 yrs	11,032	5.42%	193,771	149,449
Hyster Lift Truck	07/31/23	5 yrs	105,030	7.35%	438,354	401,386
Hyster Pegasus Lift Truck	10/26/23	5 yrs	<u>75,362</u>	7.00%	<u>317,161</u>	<u>271,679</u>
<b>Total</b>			<b><u>\$448,476</u></b>		<b><u>\$3,983,792</u></b>	<b><u>\$2,912,719</u></b>

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 8. Commitments (continued):**

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ended December 31,:	
2024	\$ 671,638
2025	635,846
2026	550,336
2027	430,325
2028	284,781
Thereafter	<u>727,580</u>
	\$ 3,300,506
Less: (PV Discount)	<u>(387,788)</u>
Total	<u>\$ 2,912,718</u>

**Note 9. Economic Dependency**

The South Jersey Port Corporation depends upon the State of New Jersey for economic assistance. Under the provisions of the South Jersey Port Corporation Act, the Board Chairman of the Corporation annually certifies to the State of New Jersey the amounts required to maintain certain reserve balances in the debt service and debt service reserve accounts and also in the tax maintenance reserve account.

**Note 10. Deferred Compensation Plan**

Employees of the South Jersey Port Corporation may participate in the New Jersey State Employees' Deferred Compensation Plan. The Plan was established by New Jersey Public Law 1978, Chapter 39 and is subject to compliance with Section 457 of the Internal Revenue Code. The New Jersey State Employees' Deferred Compensation Board is the governing body of the Plan.

Employees of the South Jersey Port Corporation may participate in the New Jersey State Employees' Deferred Compensation Plan. The Plan was established by New Jersey Public Law 1978, Chapter 39 and is subject to compliance with Section 457 of the Internal Revenue Code. The New Jersey State Employees' Deferred Compensation Board is the governing body of the Plan.

**Note 11. PILOT Payments**

**City of Camden PILOT Payments** – The Corporation entered into a 2023 payment in lieu of tax agreement with the City of Camden requiring the Corporation to make payment of four million dollars (\$4,000,000). The City’s fiscal year for 2023 began in July 1, 2022 and ended June 30, 2023. Pursuant to the 2023 “PILOT” agreement, the Corporation is not required to make the 2024 “PILOT” payment until such time as the payment has been appropriated by the State of New Jersey and the payment is received by the Corporation.

## SOUTH JERSEY PORT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

#### Note 11. PILOT Payments (continued):

**County of Camden PILOT Payments** - The Corporation has entered into a 2023 payment in lieu of tax agreement with the County requiring the Corporation to make payment of four hundred nineteen thousand dollars (\$419,000) in the calendar year 2023. An appropriation of \$419,000 will be required from the State to make payment to the 2024 County of Camden “PILOT Tax Agreement”.

**City of Salem PILOT Payments** – The Corporation has entered into a 2023 payment in lieu of tax agreement with the City of Salem requiring the Corporation to make payment of thirty one thousand two hundred and twenty five dollars \$(31,225) in the calendar year 2023. An appropriation of \$31,225 will be required from the State to make payment to the 2024 City of Salem “PILOT Tax Agreement”.

**Borough of Paulsboro PILOT Payments** – The Corporation has entered into a 2023 payment in lieu of tax agreement with the Borough requiring the Corporation to make annual payments of five hundred thousand (\$500,000), plus escalators of \$176,876 for years 2017-2022 and \$41,273 for 2023 in the calendar year 2023. An appropriation of \$718,149 will be required from the State to make payment to the 2024 County of Gloucester “PILOT Tax Agreement”.

In December 2005, the Board of Directors of the South Jersey Port Corporation entered into a lease agreement with the Borough of Paulsboro for the lease of 190 acres for the Building of a Port Facility. In the lease agreement the South Jersey Port Corporation agreed to make a Payment in Lieu of Taxes (“PILOT”) to the Borough of Paulsboro of \$500,000 (five hundred thousand dollars) plus 2 % of the value of the actual construction cost of Buildings and 1 % of the fair market value of the subleased or occupied parts of the port project site. The enabling legislation of the South Jersey Port Corporation requires that the State of New Jersey will fund/replenish the Property Tax Reserve Fund of the South Jersey Port Corporation for any such monies owed on PILOT agreements such as the PILOT agreement with the Borough of Paulsboro.

**County of Gloucester PILOT Payments** – The Corporation has entered into a 2023 payment in lieu of tax agreement with the County requiring the Corporation to make annual payments of one hundred fifty thousand dollars (\$150,000). An appropriation of \$150,000 will be required from the State to make payment to the 2024 County of Gloucester “PILOT Tax Agreement”.

All Pilot payments are Pursuant to *N.J.S.A.12: 11A20* the amounts are credited to the “South Jersey Port Corporation Tax Reserve Fund”. (See Schedule in Supplementary Schedules)

#### Note 12. Capital Projects and Funding Sources

During 2001 South Jersey Port Corporation entered into a Capital Lease with the Delaware River Port Authority (DRPA) in the amount of \$2,000,000 for electrical substation upgrades at the Broadway terminal. The lease term is twenty years at no interest rate. As of the date of this report no payments have been made on the lease. It is the opinion of the Corporation that the Agreement with the DRPA for the electrical substation upgrade at the Broadway Terminal was a grant and as such no payment(s) are required. Whereas the DRPA claims that this was a loan.

## SOUTH JERSEY PORT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

#### **Note 12. Capital Projects and Funding Sources (continued):**

The Corporation's construction in progress consists of a variety of projects at the Port's locations. The Camden terminals have projects at the Broadway Terminal totaling \$1,379,556 and Balzano Marine Terminal for \$3,722,690. Paulsboro Marine Terminal Project using Series 2017 B proceeds in the amount of \$192,824,314. Total construction in progress amounted to \$197,926,560 at year end December 31, 2023.

#### **Note 13. Port of Salem**

The Salem Municipal Port Authority (the "Salem Port") was established in 1983 to finance and build a port for the City of Salem, New Jersey. In 1996, the Corporation purchased the Salem Port facilities located in the City of Salem, New Jersey. The Corporation entered into a lease with U.S. Concrete providing for the maintenance and operation of the marine shipping terminal facilities at the Salem Port.

#### **Note 14. Paulsboro Marine Terminal Project and Financing**

The Corporation and Paulsboro entered into a certain redevelopment agreement with respect to the Development and Construction of a Marine Terminal within the Borough of Paulsboro, South Jersey Port District dated January 16, 2006 (as amended, the "Redevelopment Agreement"). Under the Redevelopment Agreement, the Corporation was granted the right and obligation to develop the Paulsboro Marine Terminal located in Paulsboro, Gloucester County.

The Corporation and the Gloucester County Improvement Authority ("GCIA") also entered into a certain "Paulsboro Port Project Development and Management Agreement" dated as of August 1, 2009 (the "Development and Management Agreement"). Pursuant to the Development and Management Agreement, the Corporation had set forth the overall parameters for the design and development of the Paulsboro Marine Terminal, and the GCIA entered into the various contracts required to implement this development.

The Paulsboro Marine Terminal is located along the eastern bank of the Delaware River, across from the Philadelphia International Airport, just south of Mantua Creek. Direct vehicular and truck access from Interstate 295 to the terminal is via a two-lane, public access road and bridge structure over Mantua Creek.

The Corporation funded Phase I of the Paulsboro Marine Terminal Project with proceeds of the Series 2009 P Bonds, as well as a portion of the proceeds of the Series 2007 N Bonds and the Series 2008 O Bonds. The aggregate amount of Bonds issued for the initial phase Paulsboro Marine Terminal Project was \$176,737,986.

The Corporation negotiated a lease agreement with Holt Logistics Corporation (Paulsboro Waterfront Development, LLC) to serve as the terminal operator for the Paulsboro Marine Terminal, hosting private operations. The primary cargo is imported steel slabs. The first ships were received at the Paulsboro Marine Terminal in March 2017.

A subsequent Phase II extended the wharf to 2,200 feet to accommodate up to four ships, a 500-foot barge berth, and upland improvements.

## **SOUTH JERSEY PORT CORPORATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

#### **Note 14. Paulsboro Marine Terminal Project and Financing (continued):**

On August 29, 2017, the Corporation adopted a new subordinated bond resolution. The Subordinated bond authorized a series of bonds with an amount of \$255,000,000. On December 5, 2017, the Corporation issued its \$255,000,000 Subordinated Marine Terminal Revenue Bonds, Series 2017, consisting of \$23,860,000 Subordinated Marine Terminal Revenue Bonds, Series 2017A (Tax Exempt) and \$231,140,000 Subordinated Marine Terminal Revenue Bonds, Series 2017B (AMT). The purpose of the issue was to fund completion of the Paulsboro Marine Terminal and undertake needed repairs at facilities within the Camden facilities. In total, the Corporation realized \$271,099,472.62 from the sale of the Series 2017 Bonds, representing the \$255,000,000 principal amount of the Series 2017 Bonds, plus an original issue premium of \$17,229,246.35 and less a Purchaser's discount of \$1,129,773.73.

As of December 31, 2023, the remaining bond proceeds, along with a federal grant and a third-party match will be used to complete the final upland improvements.

#### **Note 15. Reserve for Inventory of Supplies**

Inventories are valued at historical cost. The costs of inventories in Business-Type Activities are recorded as expenditures when purchased. The Corporation established their inventory of supplies in 2005, currently valued at \$1,229,818 as of December 31, 2023 and \$1,185,416 as of December 31, 2022.

#### **Note 16. Post-Retirement Benefits**

##### **State Health Benefits Plan Description**

Starting in April 2014, the South Jersey Port Corporation began contributing to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52: 14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1990, The South Jersey Port Corporation authorized participation in the SHBP's post-retirement benefit program through a self - insured program. In 2014, through resolution 2014-1-0015, the Corporation approved to participate into the New Jersey State Health Benefit Program. The Corporation adopted the provision of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey Health Benefits Program. In April 2014 Port Corporation employees began making health benefit contributions of 1.5% of their base salaries towards the health benefit costs.

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 16. Post-Retirement Benefits (continued):**

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**Funding Policy**

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to South Jersey Port Corporation on a monthly basis. As a participating employer the Authority will pay and remit to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of chapter 75, Public Laws of 1972.

The South Jersey Port Corporation contributions to SHBP for the year ended December 31, 2023 and 2022 was \$562,033 and \$501,239 respectively, which equaled the required contributions for the year. There were thirty-six (36) retired participants eligible at December 31, 2023 and thirty-four (34) for 2022.

**General Information About the OPEB Plan**

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as

**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 16. Post-Retirement Benefits (continued):**

established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

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

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation’s and nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and non-employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and non-employer may result in immaterial differences.

**Net OPEB Liability**

*Components of Net OPEB Liability*

The Corporations share of components of the collective net OPEB liability of the participating employers in the Plan as of December 31, 2023 and 2022 are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total OPEB Liability	\$ 23,340,752	\$ 22,564,143
Plan Fiduciary Net Position	<u>(183,350)</u>	<u>(82,273)</u>
Net OPEB Liability	<u>\$23,524,102</u>	<u>\$ 22,646,416</u>
Plan Fiduciary Net Position		
As a % of Total OPEB Liability	0.79%	0.36%

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 16. Post-Retirement Benefits (continued):**

**Net OPEB Liability (continued):**

The total OPEB liability as of December 31, 2021 was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>2022</u>	<u>2022</u>
Inflation Rate	2.75%	2.75%
PERS - Salary Increases*:		
Future Years	2.75% to 6.55%	2.75% to 6.55%
PRFS – Salary Increase*:		
Future Years	3.25% to 16.25%	3.25% to 16.25%
Mortality:		
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	

\* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for the periods July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2023 and 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**SOUTH JERSEY PORT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 16. Post-Retirement Benefits (continued):**

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

The following presents the collective net OPEB liability of the participating employers as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB 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:

<b>2022</b>			
	<u>At 1% Decrease (2.65%)</u>	<u>At Current Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Corporation's Proportionate Share of Net OPEB Liability	\$ 27,248,407	\$ 23,524,101	\$ 20,528,471

<b>2022</b>			
	<u>At 1% Decrease (2.54%)</u>	<u>At Current Discount Rate (3.54%)</u>	<u>At 1% Increase (4.54%)</u>
Corporation's Proportionate Share of Net OPEB Liability	\$ 26,251,755	\$22,646,416	\$ 19,745,583

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

The following presents the net OPEB liability as of June 30, 2023 and 2022, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b>2023</b>			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At % Increase</u>
Corporation's Proportionate Share of Net OPEB Liability	\$19,992,718	\$23,524,101	\$28,045,351

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 16. Post-Retirement Benefits (continued):**

<b>2022</b>			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Corporation's Proportionate Share of Net OPEB Liability	\$ 19,211,636	\$22,646,416	\$27,045,401

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The amounts reported as a deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for December 31, 2023 and 2022 respectively as follows:

Year ended December 31, :		Year ended December 31, :	
2024	\$ (2,668,796)	2023	\$ (2,052,084)
2025	(2,185,911)	2024	(2,053,895)
2026	(1,182,540)	2025	(1,621,931)
2027	(554,333)	2026	(724,364)
2028	(1,118,946)	2027	(162,400)
Thereafter	<u>(1,199,179)</u>	Thereafter	<u>(1,114,089)</u>
Total	<u>\$ (8,909,705)</u>	Total	<u>\$ (7,728,763)</u>

**Changes in Proportion**

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

**Note 17. Arbitrage Rebate Calculation**

The arbitrage rebate requirement imposed by section 148 of the Internal Revenue Code require that certain profits or arbitrage earned from investing proceeds of tax-exempt bonds be rebated to the Federal Government. The rebate amount due to the Federal Government is equal to the excess of the amount earned on all non-purpose investments purchased with gross proceeds of the bonds over the amount that would have been earned if such non-purpose investments were invested at a yield equal to the yield of the bonds.

This Arbitrage calculation has been performed through January 1, 2024 and the Corporation is in material compliance with the arbitrage rebate requirements.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

**Note 18. Contingencies**

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

**Note 19. Subsequent Events**

The South Jersey Port Corporation has evaluated subsequent events occurring after December 31, 2023 through October 16, 2024, which is the date the financial statements were available to be issued. Management has determined no events have occurred that require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**SOUTH JERSEY PORT CORPORATION**  
**COMPARATIVE SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**ACTUAL COMPARED TO BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022*		
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL
Operating Revenues:						
Marine Direct:						
Leases - Marine Direct	\$5,819,640	5,819,640	4,089,725	\$5,800,822	5,800,822	4,623,039
Crane Rental	2,076,666	2,076,666	1,450,627	1,136,206	1,136,206	1,990,160
Dockage	3,254,344	3,254,344	2,683,270	2,371,752	2,371,752	3,005,583
Handling	5,337,216	5,337,216	4,000,828	5,425,835	5,425,835	4,801,106
Storage	2,252,770	2,252,770	2,413,812	1,951,012	1,951,012	2,842,592
Wharfage	4,028,272	4,028,272	3,249,608	3,668,358	3,668,358	3,665,717
Demurrage	-	-		5,913	5,913	
Total Marine Direct	<u>22,768,908</u>	<u>22,768,908</u>	<u>17,887,870</u>	<u>20,359,898</u>	<u>20,359,898</u>	<u>20,928,197</u>
Marine Related:						
Leases - Industrial	779,775	779,775	1,559,637	603,937	603,937	634,993
Utilities	691,500	691,500	659,360	762,985	762,985	691,062
Port of Salem	142,679	142,679	106,106	141,923	141,923	101,538
Port of Paulsboro	1,500,000	1,500,000	1,586,941	1,500,000	1,500,000	1,500,000
Miscellaneous	869,470	869,470	1,040,173	497,220	497,220	1,045,675
Total Marine Related	<u>3,983,424</u>	<u>3,983,424</u>	<u>4,952,217</u>	<u>3,506,065</u>	<u>3,506,065</u>	<u>3,973,268</u>
Other Income:						
Income on Investments	28,963	28,963	438,949	152,032	152,032	56,445
Miscellaneous	106,122	106,122	3,141,034	170,382	170,382	3,753,216
Total Other Income	<u>135,085</u>	<u>135,085</u>	<u>3,579,983</u>	<u>322,414</u>	<u>322,414</u>	<u>3,809,661</u>
Grant Revenue			6,726,793			2,887,296
Total Revenues	<u>\$26,887,417</u>	<u>26,887,417</u>	<u>33,146,863</u>	<u>\$24,188,377</u>	<u>24,188,377</u>	<u>31,598,422</u>
Operating Expenses:						
Port Operations:						
Labor Expense:						
Labor Crane	386,382	386,382	521,032	307,294	307,294	356,416
Labor Handling	2,556,202	2,556,202	2,754,027	1,725,693	1,725,693	2,316,021
Labor Repairs & Maintenance	810,248	810,248	967,631	1,138,581	1,138,581	829,981
Security	945,032	945,032	1,116,497	788,097	788,097	920,273
Supervisors	653,876	653,876	446,599	647,021	647,021	595,285
Total Labor Expense	<u>5,351,740</u>	<u>5,351,740</u>	<u>5,805,786</u>	<u>4,606,686</u>	<u>4,606,686</u>	<u>5,017,976</u>
Payroll Taxes	536,771	536,771	324,563	511,396	511,396	495,461
Workers Compensation Insurance	737,352	737,352	953,278	484,865	484,865	658,100
Employee Benefits:						
Hospitalization	1,945,112	1,945,112	1,009,471	2,067,023	2,067,023	1,187,245
Vacation, Holiday, Sick, Pension	1,185,270	1,185,270	732,979	516,909	516,909	1,142,970
Miscellaneous Employer Expenses	68,295	68,295	30,739	42,400	42,400	80,378
Total Employee Benefits	<u>4,472,800</u>	<u>4,472,800</u>	<u>3,051,030</u>	<u>3,622,593</u>	<u>3,622,593</u>	<u>3,564,154</u>
Crane Rental - Gas & Oil	<u>522,992</u>	<u>522,992</u>	<u>214,997</u>	<u>105,536</u>	<u>105,536</u>	<u>460,819</u>

\* - Reallocated line item expenses for comparative purposes

**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**ACTUAL COMPARED TO BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022*		
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL
Operating Expenses (Continued):						
Handling:						
Gas & Oil	33,992	33,992	98,285	255,383	255,383	-
Miscellaneous	107,594	107,594	35,062	80,840	80,840	114,015
Trucking Expenses	18,972	18,972	-	59,947	59,947	15,560
Clerking & Checking	3,242,985	3,242,985	2,143,749	2,007,814	2,007,814	2,866,453
Total Handling	3,403,543	3,403,543	2,277,096	2,403,984	2,403,984	2,996,028
Rental of Equipment	538,398	538,398	591,852	36,277	36,277	546,706
Trash Removal	535,232	535,232	102,048	143,587	143,587	240,200
Security:						
Contracted Services	100,576	100,576	33,456	26,710	26,710	120,737
Other Expenses	21,908	21,908	-	23,573	23,573	-
Total Security	122,484	122,484	33,456	50,283	50,283	120,737
Port of Salem Operations	72,755	72,755	66,960	65,318	65,318	64,190
Port of Paulsboro Operations	223,925	223,925	996,000			
Utilities	1,372,809	1,372,809	1,342,440	1,612,365	1,612,365	1,177,977
Total Port Operations	16,616,678	16,616,678	14,481,665	12,646,629	12,646,629	14,188,787
Repairs & Maintenance:						
Buildings & Grounds:						
Contracted	202,404	202,404	53,020	1,295,618	1,295,618	162,308
Fees & Permits	213,803	213,803	48,862	23,562	23,562	163,582
Materials	40,267	40,267	251,715	353,522	353,522	196,861
Total Buildings & Grounds	456,474	456,474	353,597	1,672,702	1,672,702	522,751
Cranes:						
Contracted	93,094	93,094	20,110	123,314	123,314	114,879
Materials	53,062	53,062	308,268	137,727	137,727	43,520
Total Cranes	146,156	146,156	328,378	261,041	261,041	158,399
Mobile Machinery & Equipment:						
Contracted	78,917	78,917	197,242	43,305	43,305	82,587
Equipment	229,946	229,946	-	36,521	36,521	8,883
Vehicles	-	-	-	200,000	200,000	-
Materials	349,357	349,357	319,614	238,740	238,740	301,093
Small Tools	114,156	114,156	17,026	22,592	22,592	88,109
Total Mobile Machinery & Equipment	772,376	772,376	533,882	541,158	541,158	480,672
Total Repairs & Maintenance	1,375,006	1,375,006	1,215,857	2,474,901	2,474,901	1,161,822

\* - Reallocated line item expenses for comparative purposes

**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**ACTUAL COMPARED TO BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022*		
	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL	ORIGINAL BUDGET	MODIFIED BUDGET	ACTUAL
Operating Expenses (Continued):						
General & Administrative:						
Labor - Administrative	2,058,821	2,058,821	1,637,530	2,137,044	2,137,044	1,921,186
Payroll Taxes	177,148	177,148	326,679	211,981	211,981	185,385
Workmen's Compensation	59,994	59,994	96,852	4,866	4,866	37,711
Employee Benefits:						
Hospitalization	1,070,345	1,070,345	1,077,848	948,663	948,663	839,474
Pension	924,547	924,547	984,069	727,159	727,159	915,080
Insurance	1,583,317	1,583,317	788,044	1,823,872	1,823,872	1,782,080
Professional Fees	1,307,907	1,307,907	1,292,227	797,368	797,368	1,699,435
Miscellaneous	1,353,416	1,353,416	785,864	878,274	878,274	869,598
Telephone	118,205	118,205	105,911	53,548	53,548	117,968
Utilities	33,048	33,048	32,400	34,460	34,460	32,400
Bad Debt	30,600	30,600	30,000	66,245	66,245	36,000
<b>Total General &amp; Administrative</b>	<b>8,717,348</b>	<b>8,717,348</b>	<b>7,157,424</b>	<b>7,683,480</b>	<b>7,683,480</b>	<b>8,436,317</b>
Grant Expenses			6,726,793			2,887,296
<b>Total Operating Expenses</b>	<b>26,709,032</b>	<b>26,709,032</b>	<b>29,581,739</b>	<b>22,805,010</b>	<b>22,805,010</b>	<b>26,674,222</b>
Operating Income Before Other						
Operating Expenses	\$178,385	178,385	3,565,124	\$1,383,367	1,383,367	4,924,200
Adjustments to Reconcile Excess Revenues Over						
Expenditures to GAAP Basis for Change in Net Position:						
Decreased by:						
Depreciation			10,144,266			9,686,693
Operating Income/(Loss)/After Other Operating						
Expenses (Exhibit A-2)			(6,579,142)			(4,762,493)

\* - Reallocated line item expenses for comparative purposes

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**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF REVENUE BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE							
	DATE	AMOUNT		DATE	AMOUNT	DECEMBER 31, 2022	DECEMBER 31, 2023						
Marine Terminal Bonds, Series 2009 P	12/30/09	\$ 157,880,000	Variable	2024	4,600,000	ISSUED	DECREASED	BALANCE DECEMBER 31, 2023					
			7.065%	2025	4,825,000								
			7.065%	2026	5,045,000								
			7.065%	2027	5,275,000								
			7.065%	2028	5,520,000								
			7.065%	2029	5,775,000								
			7.365%	2030	6,040,000								
			7.365%	2031	6,325,000								
			7.365%	2032	6,630,000								
			7.365%	2033	6,945,000								
			7.365%	2034	7,280,000								
			7.365%	2035	7,630,000								
			7.365%	2036	7,995,000								
			7.365%	2037	8,375,000								
7.365%	2038	8,775,000											
7.365%	2039	9,195,000											
7.365%	2040	9,635,000											
					115,865,000		4,350,000	\$ 115,865,000					
Marine Terminal Bonds, Series 2012 Q	10/17/12	60,060,000	3.00%	2024	950,000	ISSUED	DECREASED	BALANCE DECEMBER 31, 2023					
			3.00%	2025	2,050,000								
			3.00%	2026	2,100,000								
			3.00%	2027	2,175,000								
			3.00%	2028	2,245,000								
			3.00%	2029	2,355,000								
			3.00%	2030	2,475,000								
			3.13%	2031	2,600,000								

**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF REVENUE BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	ORIGINAL		INTEREST RATE	MATURITIES		BALANCE DECEMBER 31, 2022	ISSUED	DECREASED	BALANCE DECEMBER 31, 2023
	DATE	AMOUNT		DATE	AMOUNT				
Marine Terminal Bonds, Series 2012 Q (cont'd)	10/17/12	60,060,000	3.13%	2032	2,715,000				
			3.25%	2033	2,855,000				
					<u>22,520,000</u>	\$ 25,670,000		3,150,000	\$ 22,520,000
Marine Terminal Bonds, Series 2012 R	10/17/12	16,050,000	4.00%	2024	900,000				
					<u>900,000</u>	2,570,000		1,670,000	900,000
Marine Terminal Bonds, Series 2016 S	09/29/16	40,320,000	5.00%	2024	1,750,000				
			5.00%	2025	1,840,000				
			5.00%	2026	1,930,000				
			5.00%	2027	2,030,000				
			5.00%	2028	2,130,000				
			5.00%	2029	2,230,000				
			5.00%	2030	2,360,000				
			5.00%	2031	1,670,000				
			3.50%	2032	1,755,000				
			5.00%	2033	1,820,000				
			5.00%	2034	1,915,000				
			5.00%	2035	2,005,000				
			3.75%	2036	2,100,000				
		5.00%	2037	2,185,000					
		5.00%	2038	2,285,000					
		5.00%	2039	1,670,000					
				<u>31,675,000</u>	\$ 33,340,000		1,665,000	\$ 31,675,000	

**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF REVENUE BONDS PAYABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	ORIGINAL DATE	AMOUNT	INTEREST RATE	MATURES DATE	AMOUNT	BALANCE DECEMBER 31, 2022	ISSUED	DECREASED	BALANCE DECEMBER 31, 2023
Marine Terminal Bonds, Series 2017 A	11/16/17	23,860,000	5.00%	2048	2,910,000				
			5.00%	2049	20,950,000				
		23,860,000			23,860,000	\$ 23,860,000			\$ 23,860,000
Marine Terminal Bonds, Series 2017 B	11/16/17	231,140,000	5.00%	2024	2,890,000				
			5.00%	2025	3,025,000				
			5.00%	2026	3,180,000				
			5.00%	2027	3,340,000				
			5.00%	2028	3,505,000				
			5.00%	2029	3,680,000				
			5.00%	2030	3,865,000				
			5.00%	2031	4,055,000				
			5.00%	2032	4,260,000				
			5.00%	2033	4,470,000				
			5.00%	2034	7,660,000				
			5.00%	2035	8,045,000				
			5.00%	2036	8,445,000				
			5.00%	2037	8,870,000				
			5.00%	2038	9,310,000				
			5.00%	2039	9,780,000				
			5.00%	2040	10,265,000				
			5.00%	2041	14,180,000				
			5.00%	2042	14,890,000				
			5.00%	2043	15,635,000				
			5.00%	2044	16,415,000				
			5.00%	2045	17,235,000				
			5.00%	2046	18,100,000				
			5.00%	2047	19,000,000				
			5.00%	2048	17,040,000				
		231,140,000			231,140,000	231,140,000			231,140,000
Total						\$ 436,795,000	-	10,835,000	\$ 425,960,000
Add: Unamortized Premium						18,465,818			17,617,387
Less: Due Within One Year						10,835,000			11,090,000
Balance						\$ 444,425,818			\$ 432,487,387

**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF NET POSITION**  
**DECEMBER 31, 2023**

ASSETS	RESTRICTED					TOTAL
	UNRESTRICTED OPERATING ACCOUNTS	DEBT SERVICE ACCOUNT	DEBT SERVICE ACCOUNT	MAINTENANCE RESERVE ACCOUNT	TAX RESERVE ACCOUNT	
Current Assets:						
Cash & Cash Equivalents/Investments	\$12,391,625			17,472	5,354	126,639,331
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$569,488)	2,955,657		14,653,286			2,955,657
Due from State			31,525,000			31,525,000
Other Accounts Receivable	29,799,576		1,396,970			31,602,452
Grant Receivable				1,413,713		1,413,713
Prepaid Expenses	113,402					113,402
Tenant Security Deposit	27,274					27,274
Inventory of Supplies	1,229,818					1,229,818
Interfund Accounts Receivable	358,338,752	81,529,036	316,384,075	494,889	1,305	756,748,057
Total Current Assets	404,856,104	81,529,036	363,959,331	512,361	5,354	952,254,704
Property, Plant & Equipment (Note 5)						
Construction in Progress					407,768,805	407,768,805
Bond Financing Costs					197,926,560	197,926,560
					2,281,415	2,281,415
Subtotal					607,976,780	607,976,780
Accumulated Depreciation & Amortization					154,616,880	154,616,880
Total Property, Plant & Equipment & Construction in Progress					453,359,900	453,359,900
Total Assets	404,856,104	81,529,036	363,959,331	512,361	5,354	1,405,614,604
DEFERRED OUTFLOW OF RESOURCES						
Pension & OPEB Deferred Outflows	13,477,324					13,477,324
Bond Discount, Net of Accumulated Amortization					143,550	143,550
Total Deferred Outflows of Resources	13,477,324				143,550	13,620,874
Total Assets and Deferred Outflows of Resources	\$418,333,428	81,529,036	363,959,331	512,361	5,354	1,419,235,478

**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF NET POSITION**  
**DECEMBER 31, 2023**

LIABILITIES	RESTRICTED				TOTAL
	UNRESTRICTED OPERATING ACCOUNTS	DEBT SERVICE ACCOUNT	DEBT SERVICE RESERVE ACCOUNT	MAINTENANCE RESERVE ACCOUNT	
Current Liabilities Payable from Assets:					
Accounts Payable	312,024			984,993	1,297,017
Lease Payable				2,553,099	2,553,099
Accrued Expenses	664,546				664,546
Accrued Interest Payable		11,716,510			11,716,510
Accrued Vacation Payable	145,026				145,026
Pension Payable	1,212,060				1,212,060
Payroll Taxes Payable	62,787				62,787
Lease Security & Escrow Deposits	250,852			11,090,000	250,852
Revenue Bonds - Short Term			2,186		2,186
Interfund Accounts Payable	340,643,773	69,812,526	329,716,746	16,567,472	756,748,057
<b>Total Current Liabilities</b>	<b>343,291,068</b>	<b>81,529,036</b>	<b>329,716,746</b>	<b>31,195,564</b>	<b>785,739,954</b>
Long Term Liabilities Payable:					
Vacation Payable					
Early Retirement Payable	1,086,043			60,936,289	60,936,289
Unearned Revenue	11,923,422				11,923,422
Net Pension Payable	23,524,101				23,524,101
OPEB Payable				432,487,387	432,487,387
Revenue Bonds (Long-Term Portion)				2,359,620	2,359,620
Lease Payable					
<b>Total Long Term Liabilities</b>	<b>36,533,566</b>			<b>495,783,296</b>	<b>532,316,862</b>
<b>Total Liabilities</b>	<b>379,824,634</b>	<b>81,529,036</b>	<b>329,716,746</b>	<b>526,978,860</b>	<b>1,318,056,816</b>
DEFERRED INFLOWS OF RESOURCES					
Service Concession Arrangements	271,788				271,788
Unrealized Rental Income	9,295,574				9,295,574
Gain on Bond Refunding				278,261	278,261
Pension and OPEB Deferred Inflows	45,092,744				45,092,744
<b>Total Deferred Inflows of Resources</b>	<b>54,660,106</b>			<b>278,261</b>	<b>54,938,367</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets			510,175	27,638,847	28,149,022
Reserve for Payment of Debt Service			34,242,585		34,242,585
Reserve for Inventory Supplies	1,229,818				1,229,818
Unreserved	(17,381,130)				(17,381,130)
<b>Net Position</b>	<b>(16,151,312)</b>	<b>-</b>	<b>34,242,585</b>	<b>27,638,847</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$418,333,428</b>	<b>81,529,036</b>	<b>363,959,331</b>	<b>554,895,968</b>	<b>1,419,235,478</b>

**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF CHANGES IN NET POSITION ALL ACCOUNTS  
DECEMBER 31, 2023**

	OPERATING ACCOUNTS	DEBT SERVICE ACCOUNT	DEBT SERVICE RESERVE	MAINTENANCE RESERVE	CONSTRUCTION ACCOUNT	TAX RESERVE ACCOUNT	TOTAL
Net Position - Beginning Balance	\$ (23,311,687)		34,515,358	510,175	27,912,765		\$ 39,626,611
Add:							
Excess of Revenue Over Expenses	3,565,124						3,565,124
State of New Jersey:							
Debt Service Aid			31,525,000				31,525,000
PILOT Payments			2,789,988			5,318,297	5,318,297
Federal Subsidy Revenue							2,789,988
Net Change in Reserve for Payment of Debt Service	272,773						272,773
Net Change in Escrow Reserves							
Insurance Proceeds							
Additions To Capital Contributions							
Amortization Gain on Refunding of Debt	17,391						17,391
Amortization of Bond Premium	848,431						848,431
Interest on Investments			405,835	834	1,215,663	268	1,622,600
Inventory of Supplies	44,402						44,402
Unrealized Gain on Investment			232,595		217,963		450,558
Interfund Transfers	3,294,127	23,497,246			8,436,722	32	35,228,127
<b>Total</b>	<b>(15,269,439)</b>	<b>23,497,246</b>	<b>69,468,776</b>	<b>511,009</b>	<b>37,783,113</b>	<b>5,318,597</b>	<b>121,309,302</b>
Deduct:							
Interest Expense	172,752	23,497,246					23,669,998
Depreciation/Amortization Expense					10,102,770		10,102,770
Gain/(Loss) on Sale of Assets	698,505						698,505
Unrealized Gain/(Loss) on Investment							
Amortization of Bond Discount on Refunding	8,972						8,972
Net Change in Escrow Reserves	542						542
Transfer of Depreciation to Contributed Capital					41,496		41,496
Camden City PILOT Payment						4,000,000	4,000,000
Camden County PILOT Payment						419,000	419,000
Gloucester County PILOT Payment						150,000	150,000
Paulsboro PILOT Payment						718,373	718,373
Salem PILOT Payment						31,224	31,224
Bond Issuance Expenses							
Inventory of Supplies							
Interfund Transfers	1,102		35,226,191	834			35,228,127
<b>Total</b>	<b>881,873</b>	<b>23,497,246</b>	<b>35,226,191</b>	<b>834</b>	<b>10,144,266</b>	<b>5,318,597</b>	<b>75,069,007</b>
Net Position December 31, 2023	(\$16,151,312)	-	34,242,585	510,175	27,638,847	-	46,240,295

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF THE CORPORATION'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY - PERS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Corporation's Proportion of the Net Pension Liability (Asset)	0.08993%	0.08143%	0.08036%	0.07104%	0.07415%	0.08067%	0.08310%	0.05163%	0.03065%	0.02804%
Corporation's Proportionate Share of the Net Pension Liability (Asset)	\$13,135,482	\$12,393,713	\$9,621,245	\$11,675,687	\$13,452,879	\$15,883,939	\$19,345,036	\$23,837,140	\$14,148,921	\$10,891,967
Corporation's Covered Employee Payroll	\$6,670,336	\$6,662,177	\$6,115,751	\$5,662,678	\$5,155,366	\$5,340,585	\$5,485,730	\$5,536,764	\$5,341,347	\$4,500,529
Corporation's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	196.92%	186.03%	157.32%	206.19%	260.95%	297.42%	352.64%	430.52%	264.89%	242.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

**SCHEDULE OF THE CORPORATION'S CONTRIBUTIONS - PERS  
SCHEDULE OF CONTRIBUTIONS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$1,212,060	\$1,035,629	\$951,133	\$783,241	\$726,237	\$802,427	\$769,860	\$541,887	\$479,587	\$481,346
Contributions in Relation to the Actuarially Determined Contributions	1,212,060	1,035,629	951,133	783,241	726,237	802,427	769,860	541,887	479,587	481,346
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Covered-Employee Payroll	\$6,670,336	\$6,662,177	\$6,115,751	\$5,662,678	\$5,155,366	\$5,340,585	\$5,485,730	\$5,536,764	\$5,341,347	\$4,500,529
Contributions as a Percentage of Covered-Employee Payroll	18.171%	15.545%	15.552%	13.832%	14.087%	15.025%	14.034%	9.787%	8.979%	10.695%



**SOUTH JERSEY PORT CORPORATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**AND RELATED RATIOS \***

	Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016		
Proportion of the net OPEB liability	0.156759%	0.140229%	0.126008%	0.125720%	0.112670%	0.120699%	0.123908%	0.139036%		
Proportionate share of net OPEB liability	\$ 23,524,101	\$ 22,646,416	\$ 22,681,164	\$ 22,562,482	\$ 15,262,358	\$ 18,909,451	\$ 25,296,796	\$ 30,195,094		
Corporation's covered employee payroll	\$ 7,226,242	\$ 7,543,006	\$ 7,187,672	\$ 6,647,960	\$ 5,961,503	\$ 6,512,543	\$ 6,602,272	\$ 6,561,457		
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	325.54%	300.23%	315.56%	339.39%	256.02%	290.35%	383.15%	460.19%		
Plan Fiduciary Net Position as a % of total OPEB liability	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%		

**Source Documents:**

All data for the measurement period was provided by the State of New Jersey Department of the Treasury.

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**SOUTH JERSEY PORT CORPORATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**  
**YEAR ENDED DECEMBER 31, 2023**

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - None

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

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**SINGLE AUDIT SECTION**



BRENT W. LEE & CO., LLC  
Certified Public Accounting Firm

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE NEW JERSEY OMB CIRCULAR 15-08**

Board of Directors of the  
South Jersey Port Corporation  
County of Camden  
Camden, New Jersey 08103

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the South Jersey Port Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of South Jersey Port Corporation's major state programs for the year ended December 31, 2023. South Jersey Port Corporation’s major state programs are identified in the *Summary of Auditor’s Results Section* of the accompanying schedule of findings and questioned costs.

In our opinion, South Jersey Port Corporation (the “Corporation”), a component unit of the State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major State Program***

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

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Corporation’s compliance with the compliance requirements referred to above.

609-456-8804  
39 Paddock Lane, Cinnaminson, NJ 08077

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and N.J. OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of State Awards Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the South Jersey Port Corporation as of and for the year ended December 31, 2023, and have issued my report thereon dated October 16, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by New Jersey OMB Circular 15-08 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditure of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,



Brent W. Lee  
Certified Public Accountant

Cinnaminson, New Jersey  
October 16, 2024

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**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL PROJECT NUMBER	FEDERAL ASSISTANCE LISTING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT DECEMBER 31, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	AT DECEMBER 31, 2023	UNEARNED REVENUE/ INTERFUND PAYABLE	MEMO ONLY CUMULATIVE TOTAL EXPENDITURES
<b>U.S. Department of Homeland Security</b>											
Port Security Grant Program	EMW-2021-PU-00334-S01	97.056	\$ 349,650	9/1/21 - 8/31/24	\$ -	131,684	(83,496)	(48,188)			\$ 236,133
Port Security Grant Program Phase 1	EMW-2023-PU-00278-S01	97.056	139,814	9/1/23 - 8/31/26	-	139,814	(139,814)				139,814
Port Security Grant Program Fence	EMW-2019-PU-00238-A18	97.056	647,172	9/1/19 - 8/31/23	-	188,036	(141,228)	(46,808)			197,281
FEMA COVID-19	FEMA-4488-DR-NJ	97.036	112,112	1/1/22 - 12/31/22	(5,339)	5,339					112,112
Total Federal Financial Assistance											\$ 685,340

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

**SOUTH JERSEY PORT CORPORATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

STATE GRANTOR/ PROGRAM TITLE	STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT DECEMBER 31, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	UNEARNED REVENUE AT DECEMBER 31, 2023	(ACCOUNTS RECEIVABLE) AT DECEMBER 31, 2023	MEMO ONLY CUMULATIVE TOTAL EXPENDITURES
<b>Department of Environmental Protection</b> DEP Equipment Modernization Program VW Project	22-72W-042-4892-001 -V7K2-6130-39990770	6,594,814	09/01/21 - 09/01/24	\$ 2,797,478.00		(1,116,380)	172,457.00	1,853,555		\$ 3,265,012
<b>Department of the Treasury</b> Wind Port Upgrades and Improvements Project	N/A	35,000,000	07/01/21 - 12/31/26	34,718,430	-	(3,832,163)	2,242,492.57	33,128,760		4,113,733
BPU Funds- Wind Port Upgrade & Improvements	N/A	1,800,000	01/25/21 - 01/24/26	-	1,800,000		75,000.00	1,875,000		
New Jersey Debt Avoidance	N/A	24,000,000	11/20/23 - 12/31/26	-	24,000,000		78,974.15	24,078,974		
<b>New Jersey Economic Development Authority</b> New Jersey Wind Port Project	N/A	150,000	05/04/21 - 05/03/23	-						105,000
<b>Department of Transportation:</b> Rail Freight Assistance Program	20-35262	6,010,650	11/17/20 - 12/26/23	-		(1,413,713)		-	(1,413,713)	1,594,906
Total State Financial Assistance				\$ 37,515,908	25,800,000	(6,362,256)	2,568,924	60,936,289	(1,413,713)	\$ 9,078,651

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**SOUTH JERSEY PORT CORPORATION**  
(COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. General**

The South Jersey Port Corporation was created by the "South Jersey Port Corporation Act, *N.J.S.A. 12:11A*", as an instrumentality of the State of New Jersey. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate and maintain marine terminals in the South Jersey Port district, which includes Mercer, Burlington, Camden, Gloucester, Salem, Cumberland and Cape May counties.

The South Jersey Port Corporation is a component unit of the State of New Jersey as described in Governmental Accounting Standards Board Statement No. 14 due to the existence of the above stated act, *N.J.S.A.12: 11A*.

**2. Basis of Accounting**

The accompanying schedule of expenditures of state awards is presented using the basis of accounting as described in Note 1 to the Corporation's financial statements. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *Single Audit Policy for Recipients of Federal Grants, State Grants* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of State Grants and State Aid*, and *Audits of States, Local Governments, and Non-profit Organizations*.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedule agree with amounts reported in the Corporation's financial statements.

**4. Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedule of expenditures of state awards agree with the amounts reported in the related federal and state financial reports, where required.

**SOUTH JERSEY PORT CORPORATION**  
**(COMPONENT UNIT OF THE STATE OF NEW JERSEY)**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section 1— Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal Control over major programs:	<b>SECTION IS N/A – NOT REQUIRED</b>
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08 as applicable?	No

**Identification of major programs:**

<b>Grant Number(s)</b>	<b>Name of State Program or Cluster</b>
N/A	

Dollar threshold used to distinguish between Type A Programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**SOUTH JERSEY PORT CORPORATION  
(COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section 1— Summary of Auditor's Results (continued)**

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$ 750,000
Auditee qualified as low-risk auditee?	No
Internal control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08 as applicable?	No

**State Grant/Project Number(s)**

**Name of State Program**

20-35262	Rail Freight Assistance Program
N/A	Wind Port Upgrades and Improvements Project

**SOUTH JERSEY PORT CORPORATION  
(COMPONENT UNIT OF THE STATE OF NEW JERSEY)  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section II — Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a NJ OMB Circular 15-08 audit.

None Noted

**Section III — State Awards Findings & Questioned Costs**

This section identifies audit findings required to be reported by New Jersey OMB Circular 15-08 Audit Requirements for State Awards, as applicable.

None Noted

**Summary of Prior Year Findings**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with NJ OMB Circular 15-08.

None Noted



# SOUTH JERSEY PORT CORPORATION

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2 Aquarium Drive, Suite 100  
Camden, NJ, 08103



(856) 757-4969



@SouthJerseyPortCo



south-jersey-port-corporation



@southjerseyports

