

**OFFICIAL STATEMENT DATED APRIL 13, 2016**

*In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough (as hereinafter defined), assuming continuing compliance by the Borough with certain tax covenants described herein, under existing law, interest on the Tax-Exempt Refunding Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code. In the case of certain corporations that own the Tax-Exempt Refunding Bonds, the interest thereon is not excludable in computing the alternative minimum tax, as a result of the inclusion of interest on the Tax-Exempt Refunding Bonds in "adjusted current earnings". In addition, interest on the Tax-Exempt Refunding Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. However, interest on the Taxable Refunding Bonds (as hereinafter defined) is not excluded from gross income for federal tax purposes. Interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.*

**\$13,095,000**  
**BOROUGH OF COLLINGSWOOD**  
**County of Camden, New Jersey**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A**  
**consisting of:**  
**\$10,425,000 General Improvement Refunding Bonds**  
**\$2,670,000 Water/Sewer Utility Refunding Bonds**  
**(Callable)**

**\$2,525,000**  
**BOROUGH OF COLLINGSWOOD**  
**County of Camden, New Jersey**  
**TAXABLE GENERAL OBLIGATION REFUNDING BONDS,**  
**SERIES 2016B**  
**(FEDERALLY TAXABLE)**  
**(Callable)**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover

The: (i) \$13,095,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2016A, consisting of: (a) \$10,425,000 aggregate principal amount of General Improvement Refunding Bonds; and (b) \$2,670,000 aggregate principal amount of Water/Sewer Utility Refunding Bonds (collectively, the "Tax-Exempt Refunding Bonds"); and (ii) \$2,525,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2016B (the "Taxable Refunding Bonds"; and together with the Tax-Exempt Refunding Bonds, the "Refunding Bonds") of the Borough of Collingswood, in the County of Camden, State of New Jersey (the "Borough"), shall be issued in fully registered book-entry only form without coupons. The principal of the Refunding Bonds shall be paid on their respective maturity dates in the amounts and in the years set forth on the inside front cover page upon presentation and surrender of the Refunding Bonds at the offices of the Borough, or its hereafter designated paying agent, if any. Interest on the Refunding Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2016, in each year until maturity, or earlier redemption. The Refunding Bonds are subject to optional redemption prior to their stated maturity dates, as set forth herein.

Upon initial issuance, the Refunding Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Refunding Bonds. So long as Cede & Co. is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds. Purchasers will not receive certificates representing their ownership interest in the Refunding Bonds purchased. For so long as any purchaser is a Beneficial Owner of the Refunding Bonds, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant to receive payment of the principal of and interest on such Refunding Bonds.

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Board of Commissioners of the Borough, on March 7, 2016 and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board of Commissioners of the Borough on March 7, 2016.

The Tax-Exempt Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) currently refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 1998A, maturing October 1 in the years 2016 through 2018, both dates inclusive; (ii) advance refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 2008, maturing February 1 in the years 2019 through 2028, both dates inclusive; (iii) advance refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (iv) pay certain costs and expenses incidental to the issuance and delivery of the Tax-Exempt Refunding Bonds.

The Taxable Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) advance refund and redeem all or a portion of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Taxable Refunding Bonds.

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

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

The Refunding Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, bond counsel to the Borough, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Solicitor, Joseph M. Nardi, III, Esquire, of Brown & Connery, LLP Westmont, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as financial advisor to the Borough in connection with the issuance of the Refunding Bonds. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about April 27, 2016.



RBC Capital Markets®

**\$13,095,000**  
**BOROUGH OF COLLINGSWOOD**  
**County of Camden, New Jersey**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A**  
**consisting of:**  
**\$10,425,000 General Improvement Refunding Bonds**  
**\$2,670,000 Water/Sewer Utility Refunding Bonds**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS\***

<b>Year</b>	<b>General Improvement Principal Amount</b>	<b>Water/Sewer Utility Principal Amount</b>	<b>Combined Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP*</b>
2016	\$115,000	\$125,000	\$240,000	2.00%	0.77%	194756PW6
2017	-	125,000	125,000	3.00	0.88	194756PX4
2018	-	125,000	125,000	3.00	1.02	194756PY2
2019	660,000	185,000	845,000	4.00	1.16	194756PZ9
2020	1,295,000	190,000	1,485,000	5.00	1.32	194756QA3
2021	1,340,000	200,000	1,540,000	4.00	1.50	194756QB1
2022	705,000	210,000	915,000	4.00	1.67	194756QC9
2023	685,000	220,000	905,000	5.00	1.79	194756QD7
2024	820,000	230,000	1,050,000	4.00	1.92	194756QE5
2025	865,000	245,000	1,110,000	5.00	2.04	194756QF2
2026	910,000	255,000	1,165,000	5.00	2.15	194756QG0
2027	960,000	275,000	1,235,000	5.00	2.24	194756QH8
2028	1,010,000	285,000	1,295,000	4.00	2.46	194756QJ4
2029	1,060,000		1,060,000	4.00	2.54	194756QK1

**\$2,525,000**  
**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B**  
**(FEDERALLY TAXABLE)**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS\***

<b>Year</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP*</b>
2016	\$80,000	0.724%	0.724%	194756QL9
2017	45,000	1.024	1.024	194756QM7
2018	45,000	1.354	1.354	194756QN5
2019	50,000	1.601	1.601	194756QP0
2020	205,000	1.864	1.864	194756QQ8
2021	205,000	2.114	2.114	194756QR6
2022	210,000	2.376	2.376	194756QS4
2023	220,000	2.626	2.626	194756QT2
2024	225,000	2.816	2.816	194756QU9
2025	230,000	2.966	2.966	194756QV7
2026	235,000	3.116	3.116	194756QW5

\$775,000 3.616% Term Bond due June 1, 2029 – Yield 3.616% CUSIP\* 194756QX3

\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders and Noteholders only at the time of issuance of the Bonds and the Notes and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and the Notes.

**BOROUGH OF COLLINGSWOOD**  
**County of Camden, New Jersey**

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**Board of Commissioners**

M. James Maley, Jr., Mayor  
Joan Leonard, Commissioner  
Michael Hall, Commissioner

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**Borough Administrator**

Keith Hastings

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**Chief Financial Officer**

Elizabeth Pigliacelli

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**Borough Clerk**

K. Holly Mannel

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**Solicitor**

Joseph M. Nardi, III, Esq.  
Brown & Connery, LLP  
Westmont, New Jersey

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**Auditor**

Petroni & Associates, LLC  
Glassboro, New Jersey

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**Bond Counsel**

Parker McCay P.A.  
Mount Laurel, New Jersey

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**Financial Advisor**

Phoenix Advisors, LLC  
Bordentown, New Jersey

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

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

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

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the underwriter does not guarantee the accuracy or completeness of such information.

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## **OFFICIAL STATEMENT**

**Relating to**

**\$13,095,000**

**BOROUGH OF COLLINGSWOOD**

**County of Camden**

**GENERAL OBLIGATION REFUNDING BONDS,  
SERIES 2016A**

**consisting of:**

**\$10,425,000 General Improvement Refunding Bonds**

**\$2,670,000 Water/Sewer Utility Refunding Bonds**

**(Callable)**

**\$2,525,000**

**BOROUGH OF COLLINGSWOOD**

**County of Camden**

**TAXABLE GENERAL OBLIGATION REFUNDING  
BONDS, SERIES 2016B**

**(FEDERALLY TAXABLE)**

**(Callable)**

## **INTRODUCTION**

The purpose of this Official Statement, including the cover page hereof and the appendices attached hereto, is to provide certain information relating to the issuance by the Borough of Collingswood, County of Camden, New Jersey (the "Borough"), of its: (i) \$13,095,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2016A, consisting of: (a) \$10,425,000 aggregate principal amount of General Improvement Refunding Bonds; and (b) \$2,670,000 aggregate principal amount of Water/Sewer Utility Refunding Bonds (collectively, the "Tax-Exempt Refunding Bonds"); and (ii) \$2,525,000 aggregate principal amount of Taxable General Obligation Bonds, Series 2016B (the "Taxable Refunding Bonds" and together with the Tax-Exempt Refunding Bonds, the "Refunding Bonds").

The information contained herein relating to the Borough was furnished by the Borough unless otherwise indicated.

## **AUTHORIZATION FOR THE REFUNDING BONDS**

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Board of Commissioners of the Borough ("Board of Commissioners") on March 7, 2016, and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Board of Commissioners on March 7, 2016 ("Resolution").

## **PURPOSE OF THE REFUNDING BONDS**

The Tax-Exempt Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) currently refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 1998A, maturing October 1 in the years 2016 through 2018, both dates inclusive; (ii) advance refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 2008, maturing February 1 in the years 2019 through 2028, both dates inclusive; (iii) advance refund and redeem all or a portion of the Borough's outstanding callable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (iv) pay certain costs and expenses incidental to the issuance and delivery of the Tax-Exempt Refunding Bonds.

The Taxable Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) advance refund and redeem all of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Taxable Refunding Bonds.

Pursuant to two (2) Escrow Deposit Agreements (collectively, the "Escrow Agreements"), each dated the date of issuance of the Refunding Bonds, between the Borough and TD Bank N.A., Cherry Hill, New Jersey, as escrow agent ("Escrow Agent"), the Borough will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payment of the respective redemption price of and interest on each series of the Refunded Bonds.

The mathematical calculations and adequacy of the deposit provided for the payment of each series of the Refunded Bonds will be verified by Petroni & Associates, LLC, Glassboro, New Jersey, certified public accountants ("Verification Agent"), at the time of the delivery of the Refunding Bonds. All moneys and Government Obligations deposited for the payment of each series of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the respective holders of the Refunded Bonds.

### **ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds with respect to the Refunding Bonds.

	<u>Tax-Exempt Refunding Bonds</u>	<u>Taxable Refunding Bonds</u>
Estimated Sources of Funds:		
Principal Amount of Refunding Bonds	\$13,095,000.00	\$2,525,000.00
Original Issue Premium	<u>2,156,882.60</u>	<u>0.00</u>
Total Sources of Funds:	<u>\$15,251,882.60</u>	<u>\$2,525,000.00</u>
Estimated Uses of Funds:		
Deposit to Escrow Fund	\$15,125,619.05	\$2,497,707.56
Underwriter's Discount	58,010.85	11,185.75
Costs of Issuance*	67,000.00	13,000.00
Rounding Amount	<u>1,252.70</u>	<u>3,106.69</u>
Total Uses of Funds:	<u>\$15,251,882.60</u>	<u>\$2,525,000.00</u>

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\* Includes, *inter alia*, credit rating, legal, accounting, verification, financial advisory services, escrow agent, printing, Rating Agency's fees and other expenses incurred in connection with the issuance of the Refunding Bonds.



## **THE REFUNDING BONDS**

### **Description**

The Tax-Exempt Refunding Bonds will be issued in the aggregate principal amount of \$13,095,000, consisting of: (i) \$10,425,000 aggregate principal amount of General Improvement Refunding Bonds; and (ii) \$2,670,000 aggregate principal amount of Water/ Sewer Utility Refunding Bonds, will be dated their date of delivery, as shown on the cover page to this Official Statement, and will bear interest from that date at the rates set forth on the inside front cover page hereof. The Taxable Refunding Bonds will be issued in the aggregate principal amount of \$2,525,000, will be dated their date of delivery, as shown on the cover page to this Official Statement, and will bear interest from that date at the rates set forth on the inside front cover page hereof. Interest on the Refunding Bonds will be payable semiannually on June 1 and December 1 ("Interest Payment Dates"), commencing June 1, 2016, in each year until maturity or earlier redemption. The Refunding Bonds will mature on June 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Refunding Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Refunding Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Refunding Bonds at the offices of the Borough or the Borough's hereafter designated paying agent, if any. Interest on each Refunding Bond shall be payable on each Interest Payment Date of such Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the Borough for such purpose at the offices of the Borough or the Borough's hereafter designated paying agent, if any, as of the close of business on the fifteenth (15th) day of the calendar month next preceeding an Interest Payment Date ("Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Refunding Bonds is the responsibility of the Direct Participants (as hereinafter defined) and not the Borough or the Borough's hereafter designated paying agent, if any. See "THE REFUNDING BONDS--Book-Entry-Only System" herein.

### **Book-Entry-Only System<sup>1</sup>**

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

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<sup>1</sup> Source: The Depository Trust Company.

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

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

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

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

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

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

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

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Refunding Bonds, the following provisions would apply: (i) the Refunding Bonds may be exchanged for an equal aggregate principal amount of Refunding Bonds in other authorized denominations, of the same maturity, upon surrender thereof at the offices of the Borough or its hereafter designated paying agent, if any; (ii) the transfer of any Refunding Bonds may be registered on the books maintained by the Borough or its hereafter designated paying agent, if any for such purpose only upon the surrender thereof to the Borough or its hereafter designated paying agent, if any together with the duly executed assignment in form satisfactory to the Borough; and (iii) for every exchange or registration of transfer of Refunding Bonds, the Borough or its hereafter designated paying agent, if any may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Refunding Bonds. Interest on the Refunding Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

### **Redemption Provisions**

#### *Optional Redemption*

The Refunding Bonds maturing prior to June 1, 2027 are not subject to redemption prior to maturity. The Refunding Bonds maturing on and after June 1, 2027 are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on or after June 1, 2026, at a redemption price equal to 100% of the principal amount of Refunding Bonds to be redeemed, plus accrued interest to the redemption date.

### *Mandatory Sinking Fund Redemption*

The Taxable Refunding Bonds maturing on June 1, 2029 are subject to mandatory sinking fund redemption prior to maturity on June 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

#### Term Bonds Due June 1, 2029

<u>Year</u>	<u>Principal Amount</u>
2027	\$245,000
2028	260,000
2029*	270,000

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\*Term Bond, final maturity.

### *Notice of Redemption*

Notice of redemption shall be given by first-class mail, postage prepaid, to the registered owners of the Refunding Bonds or portions thereof to be redeemed, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of Refunding Bonds. If notice of redemption shall have been given as aforesaid, the Refunding Bonds or portions thereof specified in said notice shall become due and payable at the redemption price on the redemption date therein designated and if, on the redemption date, moneys for payment of the redemption price of all the Refunding Bonds to be redeemed, together with the interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Refunding Bonds shall cease to accrue and become payable. Less than all of a Refunding Bond in a denomination in excess of \$5,000 may be so redeemed, and in such case, upon the surrender of such Refunding Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Refunding Bond, Refunding Bonds of like series, designation, maturity and interest rate in any of the authorized denominations. So long as DTC (or any successor thereto) acts as securities depository for the Refunding Bonds, notice of redemption shall be sent to such securities depository and shall not be sent to the beneficial owners of the Refunding Bonds. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Refunding Bonds of a series prior to maturity, the Refunding Bonds to be redeemed shall be selected by the Borough; the Refunding Bonds to be redeemed having the same maturity shall be selected by DTC in accordance with its regulations.

## **SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS**

### **Taxing Power**

The Refunding Bonds are legal, valid and binding general obligations of the Borough and the full faith, credit and taxing power of the Borough are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds.

The Refunding Bonds are payable as to principal and interest, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all taxable real property located within the Borough without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

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

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

### **Local Bond Law**

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

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

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

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

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

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

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

## **Local Fiscal Affairs Law**

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

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

An independent examination of the Borough's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit",

includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2015 is on file with the Borough Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities. The Audits for December 31, 2015 and December 31, 2014 are on file with the Borough Clerk and are available for review during business hours.

### **Local Budget Law**

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

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

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

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

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



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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

**Receipts from Delinquent Taxes** - Revenues are permitted by *N.J.S.A. 40A:4-29* to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum

amount permitted to be anticipated is determined by applying the collection rate of the prior year's delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

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

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

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

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

### **Deferral of Current Expenses**

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

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for

the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

### **Budget Transfers**

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

### **Capital Budget**

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

### **Utility Budget**

The Borough's public water and sewer utility is supported, in addition to the general taxing power upon real property, by the revenues generated by the operation of the utility. A separate budget is established for the utility. The anticipated revenues and appropriations for the utility are set forth in such separate budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

### **Related Constitutional and Statutory Provisions**

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

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

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

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

### **Rights and Remedies of Owners of Refunding Bonds**

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

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

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

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

### **Limitation of Remedies Under Federal Bankruptcy Code**

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

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

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

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

## **TAXATION**

### **Procedure for Assessment and Collection of Taxes**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in an increase of the assessment ratio to its present level of 100.23%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Borough was in 2007, effective for the 2008 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. The Borough adopted Chapter 99 of the tax sale statute which allows the Borough to annually hold an accelerated tax sale for current year delinquencies inclusive of the 3<sup>rd</sup> and 4<sup>th</sup> quarters. Tax liens retained by the Borough are periodically assigned to the Borough Solicitor for "in rem foreclosures" in order to acquire title to these properties.

## **Tax Appeals**

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

## **INFORMATION REGARDING THE BOROUGH OF COLLINGSWOOD**

### **General**

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

### **Financial**

Appendix "B" contains certain audited financial data of the Borough for the Borough's fiscal year ending December 31, 2015. The financial statements of the Borough for the year ended December 31, 2015 were audited by Petroni & Associates LLC, independent auditors (the "Auditor"), as stated in their Independent Auditors' Report appearing in Appendix B, attached hereto. The Auditor has not participated in the preparation of the financial or statistical information contained in this Official Statement and does not take responsibility for the unaudited financial information contained in Appendix "B".

## **LITIGATION**

Upon delivery of the Refunding Bonds, the Borough shall furnish an opinion of its solicitor, Joseph M. Nardi, III, Esquire of Brown & Connery, Westmont, New Jersey ("Solicitor"), dated the date of delivery of the Refunding Bonds, to the effect that there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Refunding Bonds, or in any way contesting or affecting the validity of the Refunding Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Refunding Bonds. In addition, such opinion shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Borough or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Refunding Bonds, which has not been otherwise disclosed in this Official Statement.

## TAX MATTERS

### Federal

#### *Tax-Exempt Refunding Bonds*

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, assuming continuing compliance by the Borough with the tax covenants described below, under existing law, interest on the Tax-Exempt Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the "adjusted current earnings" of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on the Tax-Exempt Refunding Bonds is included in computing a corporation's "adjusted current earnings". Accordingly, a portion of the interest on the Tax-Exempt Refunding Bonds is included in computing such corporation's alternative minimum taxable income for such year.

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

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

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

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

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

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

### *Taxable Refunding Bonds*

Interest on the Taxable Refunding Bonds is not excluded from gross income for federal tax purposes.

### **New Jersey**

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

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Refunding Bonds. It cannot be predicted whether or in



what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Refunding Bonds.

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

### **CONTINUING DISCLOSURE**

In accordance with the provisions of Rule 15c2-12 ("Rule"), as amended and promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, the Borough will, prior to the issuance of the Refunding Bonds, enter into a continuing disclosure agreement, substantially in the form set forth in Appendix "D" hereto.

The Borough provides continuing disclosure in connection with previously issued and outstanding bonds pursuant to the Rule by providing required information electronically to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access website ("EMMA"), or such other nationally recognized municipal securities information repository, as required by the MSRB.

The Borough previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) operating data for the fiscal years ending December 31, 2010, 2011, and 2012; (ii) audited financial information for the fiscal years ending December 31, 2010 and 2012; (iii) annual budgeted information for the fiscal years ending December 31, 2010, 2011, 2012 and 2013. Additionally, the Borough acknowledges that it previously failed to file material event notices and late filing notices in connection with its timely filings of (i) audited financial information; (ii) operating data; (iii) annual budgeted information; and (iv) certain rating changes. Such notices of material events and late filings have since been filed on EMMA. The Borough appointed Phoenix Advisors, LLC in March of 2014 to serve as continuing disclosure agent.

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, sale and delivery of the Refunding Bonds are subject to the approval of Parker McCay P.A., Mount Laurel, New Jersey, bond counsel to the Borough, whose approving legal opinion will be delivered with the Refunding Bonds substantially in the form set forth in Appendix "C" hereto. Certain legal matters will be passed on for the Borough by the Solicitor.

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

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

### **NO DEFAULT**

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

### **FINANCIAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey has served as financial advisor to the Borough with respect to the issuance of the Refunding Bonds ("Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of the arithmetic computations supporting: (i) the conclusion that the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Refunding Bonds, are sufficient to pay the redemption price of and interest on the Refunded Bonds; and (ii) the yield on the Refunding Bonds, will be independently verified by the Verification Agent.

### **RATING**

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (the "Rating Agency") has assigned municipal bond rating of "AA-" to the Refunding Bonds.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Refunding Bonds and the Borough. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Refunding Bonds.

## **UNDERWRITING**

The Tax-Exempt Refunding Bonds are being purchased from the Borough by RBC Capital Markets, LLC ("Underwriter"), pursuant to a purchase contract dated April 13, 2016 ("Tax-Exempt Purchase Contract"), at a purchase price of \$15,193,871.75 ("Tax-Exempt Purchase Price"). The Tax-Exempt Purchase Price of the Tax-Exempt Refunding Bonds reflects the par amount of the Tax-Exempt Refunding Bonds, less an Underwriter's discount of \$58,010.85, plus an original issue premium of \$2,156,882.60. The Underwriter is obligated to purchase all of the Tax-Exempt Refunding Bonds if any of the Tax-Exempt Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of and pay for the Tax-Exempt Refunding Bonds is subject to various conditions contained in the Tax-Exempt Purchase Contract.

The Taxable Refunding Bonds are being purchased from the Borough by the Underwriter, pursuant to a purchase contract dated April 13, 2016 ("Taxable Purchase Contract"), at a purchase price of \$2,513,814.25 ("Taxable Purchase Price"). The Taxable Purchase Price of the Taxable Refunding Bonds reflects the par amount of the Taxable Refunding Bonds, less an Underwriter's discount of \$11,185.75. The Underwriter is obligated to purchase all of the Taxable Refunding Bonds if any of the Taxable Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of and pay for the Taxable Refunding Bonds is subject to various conditions contained in the Taxable Purchase Contract.

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

RBC Capital Markets, LLC has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Borough. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Borough. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

## **LEGALITY FOR INVESTMENT**

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

## **PREPARATION OF OFFICIAL STATEMENT**

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Refunding Bonds, by certificates signed by various Borough officials.

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

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

Phoenix Advisors, LLC, as financial advisor, has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading "FINANCIAL ADVISOR") and, accordingly, will express no opinion with respect thereto.

Petroni & Associates, LLC, does take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Report.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Elizabeth Pigliacelli, Chief Financial Officer. The Borough's telephone number is (856) 854-0720.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Refunding Bonds.

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

**BOROUGH OF COLLINGSWOOD, NEW JERSEY**

**By: /s/ Elizabeth Pigliacelli**  
**ELIZABETH PIGLIACELLI, Chief Financial Officer**

Dated: April 13, 2016

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## **APPENDIX A**

### **CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE BOROUGH OF COLLINGSWOOD**

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## **INFORMATION REGARDING THE BOROUGH**

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

### **General Information**

The area now encompassed by the Borough was originally settled in 1682 in what was then known as Newton Township. Haddon Township, created from Newton Township on February 23, 1865, included all territory within the present Borough of Haddonfield, Collingswood, Audubon, Oaklyn, Woodlynne, part of Haddon Heights and most of the Fairview section of Camden.

On May 22, 1888, the Borough of Collingwood was incorporated from a part of Haddon Township.

### **Hospitals**

Medical treatment is available to Borough residents at Cooper Medical Center or Our Lady of Lourdes Medical Center, both of which are located in Camden, as well as West Jersey Hospital in Camden and Voorhees and John F. Kennedy Hospital in Stratford.

### **Transportation**

The Borough of Collingswood is within minutes of many major freeways. Haddon Avenue intersects with U.S. Route 130 which provides connections to the Blackhorse Pike (Route 168), Interstate Route 76 (west via Walt Whitman Bridge to Philadelphia and Philadelphia International Airport), Interstate Route 676 (north via Ben Franklin Bridge to center city Philadelphia) and Interstate Route 295. Cuthbert Boulevard, which serves as an eastern boundary of the Borough, connects directly to State Highways 70 and 38.

Commuter transportation service to Philadelphia is available via the Collingswood and Westmont stations of the PATCO high speed passenger rail line and New Jersey Transit bus service along Route 168.

### **Water and Sewer Service**

The Borough of Collingswood Water Department is responsible for water supply in the Borough and parts of the Township of Haddon (610 accounts) and also the Borough of Woodlynne. Water customers are billed on a quarterly basis. The Borough draws its water from seven (7) wells in operation throughout the Borough with an average capacity of 2.2 million gallon per day.

The Borough of Collingswood Sewer Department is responsible for sewage collection and maintenance of mains in the Borough of Collingswood. Collingswood residents receive a combined Water/Sewer bill on a quarterly basis.

Both the water and sewer utilities are operated on a self-liquidating basis at the present time.

### **Retirement Systems**

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

### **Pension Information**

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

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## **Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough</u></b>				
2014	7,884	7,424	460	5.8%
2013	8,009	7,583	426	5.3%
2012	8,063	7,570	493	6.1%
2011	7,996	7,473	523	6.5%
2010	8,128	7,614	513	6.3%
<b><u>County</u></b>				
2014	255,560	236,391	19,169	7.5%
2013	261,960	238,251	23,709	9.1%
2012	265,277	237,842	27,435	10.3%
2011	265,763	237,701	28,062	10.6%
2010	268,571	239,671	28,900	10.8%
<b><u>State</u></b>				
2014	4,518,715	4,218,423	300,277	6.6%
2013	4,537,800	4,166,000	371,800	8.2%
2012	4,595,500	4,159,300	436,200	9.5%
2011	4,556,200	4,131,800	424,400	9.3%
2010	4,502,400	4,076,700	425,700	9.5%

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

## **Income (as of 2010)**

	<b><u>Borough</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$58,769	\$60,976	\$71,180
Median Family Income	74,236	74,385	86,779
Per Capita Income	34,126	29,478	35,768

Source: US Bureau of the Census 2010

## **Population**

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

<b><u>Year</u></b>	<b><u>Borough</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2010	13,926	-2.79%	513,657	0.93%	8,791,894	4.49%
2000	14,326	-6.30	508,932	1.21	8,414,350	8.85
1990	15,289	-3.47	502,824	6.61	7,730,188	4.96
1980	15,838	-9.09	471,650	3.37	7,365,001	2.75
1970	17,422	0.30	456,291	16.39	7,168,164	18.15

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

## **Largest Taxpayers**

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

<b><u>Taxpayers</u></b>	<b><u>2015</u></b>	<b><u>% of Total</u></b>
	<b><u>Assessed Valuation</u></b>	<b><u>Assessed Valuation</u></b>
Cooper River Manor Investors	\$9,818,200	0.92%
900 Haddon Avenue LLC	4,000,000	0.38%
Collingswood Associates	3,624,100	0.34%
ACE Partnership	3,500,000	0.33%
Parkview Urban Renewal, LLC	3,384,000	0.32%
Flaum Prop. Co.	3,325,000	0.31%
Crestwood Associates	2,751,000	0.26%
Aldi, Inc.	2,300,000	0.22%
New Jersey Bell Telephone	1,990,000	0.19%
Inter Brotherhood Teamsters	<u>1,977,400</u>	<u>0.19%</u>
<b>Total</b>	<b><u>\$36,669,700</u></b>	<b><u>3.44%</u></b>

Source: School District CAFR & Municipal Tax Assessor

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2015	\$34,763,390	\$34,657,340	99.69%
2014	33,962,202	33,817,374	99.57%
2013	33,458,433	33,264,043	99.42%
2012	32,661,992	32,490,666	99.48%
2011	32,345,047	32,223,891	99.63%

Source: Annual Audit Reports of the Borough

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

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2015	\$45,848	\$10,689	\$56,537	0.16%
2014	45,954	8,163	54,117	0.16%
2013	33,247	27,890	61,137	0.18%
2012	38,742	1,114	39,856	0.12%
2011	30,300	36,112	66,412	0.21%

Source: Annual Audit Reports of the Borough

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

<b><u>Year</u></b>	<b><u>Amount</u></b>
2015	\$79,975
2014	79,975
2013	79,975
2012	79,975
2011	79,975

Source: Annual Audit Reports of the Borough

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

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

	Municipal		County	Local	Special	Total	
<u>Year</u>	<u>Municipal</u>	<u>Library</u>	<u>County</u>	<u>Open Space</u>	<u>School</u>	<u>Improvement</u>	<u>Taxes</u>
2015	\$0.971	\$0.031	\$0.769	\$0.020	\$1.449	\$0.179	\$3.419
2014	0.937	0.032	0.753	0.019	1.408	0.174	3.323
2013	0.882	0.033	0.764	0.021	1.389	0.166	3.255
2012	0.851	0.034	0.730	0.021	1.380	0.167	3.183
2011	0.844	0.034	0.699	0.022	1.380	0.016	2.995

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

### **Valuation of Property**

	<b>Aggregate Assessed</b>	<b>Aggregate True</b>	<b>Ratio of</b>	<b>Assessed</b>	<b>Equalized</b>
<b><u>Year</u></b>	<b><u>Valuation of</u></b>	<b><u>Value of</u></b>	<b><u>Assessed to</u></b>	<b><u>Value of</u></b>	<b><u>Valuation</u></b>
	<b><u>Real Property</u></b>	<b><u>Real Property</u></b>	<b><u>True Value</u></b>	<b><u>Personal Property</u></b>	
2015	\$1,064,532,900	\$1,010,760,444	105.32%	\$0	\$1,010,760,444
2014	1,068,931,000	1,014,936,384	104.25	0	1,014,936,384
2013	1,074,507,800	1,030,702,926	100.23	0	1,030,702,926
2012	1,073,198,700	1,070,736,007	97.97	0	1,070,736,007
2011	1,072,663,800	1,094,890,068	97.47	3,786,375	1,098,676,443

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

### **Classification of Ratables**

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

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2015	\$7,696,400	\$909,569,100	\$0	\$109,533,700	\$0	\$37,733,700	\$1,064,532,900
2014	7,993,800	909,879,300	0	112,657,200	0	38,400,700	1,068,931,000
2013	8,313,700	913,740,100	0	114,053,300	0	38,400,700	1,074,507,800
2012	12,139,500	909,087,200	0	112,440,300	0	39,531,700	1,073,198,700
2011	7,978,300	908,133,700	0	116,485,000	0	40,066,800	1,072,663,800

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

## **Financial Operations**

The following table summarizes budgeted information on changes in financial resources and fund balance for the last five (5) fiscal years for the Current Fund. This summary should be used in conjunction with the tables from which it is derived.

### **Budgeted Information of Operations and Changes in Fund Balances for the Years Ended December 31**

<b><u>Anticipated Revenues</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016*</u></b>
Fund Balance	\$226,169	\$149,508	\$206,570	\$450,302	\$382,746
Miscellaneous Revenues	5,401,887	6,143,606	6,056,435	4,817,577	5,184,316
Receipts from Delinquent Taxes	30,000	20,000	20,000	15,000	15,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>9,508,000</u>	<u>9,842,425</u>	<u>10,355,275</u>	<u>10,675,148</u>	<u>10,772,800</u>
Total Revenue:	<u>\$15,166,056</u>	<u>\$16,155,539</u>	<u>\$16,638,280</u>	<u>\$15,958,027</u>	<u>\$16,354,862</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$10,692,386	\$10,782,598	\$10,821,177	\$11,100,993	\$11,273,030
Operations	674,516	532,406	456,912	638,997	541,150
Deferred Charges and Statutory Expenditures	91,817	38,800	0	0	0
Transfer to School District	405,500	222,500	222,500	222,500	222,500
Capital Improvement Fund	356,000	225,000	225,000	375,000	300,000
Municipal Debt Service	2,821,068	4,176,930	4,709,514	3,470,831	3,908,480
Reserve for Uncollected Taxes	<u>124,769</u>	<u>177,306</u>	<u>203,177</u>	<u>149,705</u>	<u>109,702</u>
Total Appropriations:	<u>\$15,166,056</u>	<u>\$16,155,539</u>	<u>\$16,638,280</u>	<u>\$15,958,027</u>	<u>\$16,354,862</u>

\*: Introduced

Source: Annual Adopted Budgets of the Borough

## **Fund Balance**

### **Current Fund**

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

<b><u>Fund Balance - Current Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015	\$2,328,613	\$382,746
2014	1,810,879	450,302
2013	1,225,354	206,570
2012	884,812	149,508
2011	995,144	226,169

Source: Annual Audit Reports of the Borough

### **Water Utility Fund**

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

<b><u>Fund Balance - Water Utility Operating Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015	\$404,834	\$65,681
2014	56,766	24,309
2013	59,766	3,000
2012	70,616	38,000
2011	72,211	44,485

Source: Annual Audit Reports of the Borough



Sewer Utility Fund

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

**Fund Balance - Sewer Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015	\$393,166	\$36,798
2014	249,831	92,000
2013	153,140	7,574
2012	115,734	25,000
2011	64,931	30,000

Source: Annual Audit Reports of the Borough

Parking Utility Fund

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

**Fund Balance - Parking Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015	\$154,950	62,722
2014	218,150	63,200
2013	128,807	20,000
2012	170,307	41,500
2011	85,931	2,510

Source: Annual Audit Reports of the Borough

## **Borough Indebtedness as of December 31, 2015**

### **General Purpose Debt**

Serial Bonds	\$22,264,000
Bond Anticipation Notes	5,040,000
Bonds and Notes Authorized but Not Issued	178,006
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$27,482,006

### **Local School District Debt**

Serial Bonds	\$14,650,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$14,650,000

### **Self-Liquidating Debt**

Serial Bonds	\$3,726,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	722,926
Other Bonds, Notes and Loans	<u>2,377,559</u>
Total:	\$6,826,485

### **TOTAL GROSS DEBT**

**\$48,958,491**

Less: Statutory Deductions

General Purpose Debt	\$0
Local School District Debt	14,650,000
Self-Liquidating Debt	<u>6,826,485</u>
Total:	\$21,476,485

### **TOTAL NET DEBT**

**\$27,482,006**

Source: Annual Debt Statement of the Borough

**Overlapping Debt (as of December 31, 2015)<sup>1</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share</u></b>
Local School District	\$14,650,000	100.00%	\$14,650,000
County	342,450,381	2.82%	9,661,006
County Guaranteed*(2014)	727,270,757	2.82%	<u>20,517,328</u>
Net Indirect Debt			\$44,828,334
Net Direct Debt			<u>27,482,006</u>
Total Net Direct and Indirect Debt			<b><u>\$72,310,340</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2013, 2014, 2015)	\$1,030,826,864
Permitted Debt Limitation (3 1/2%)	36,078,940
Less: Net Debt	<u>27,482,006</u>
Remaining Borrowing Power	<u>\$8,596,934</u>
Percentage of Net Debt to Average Equalized Valuation	2.67%
 Gross Debt Per Capita based on 2010 population of 13,926	 \$3,516
Net Debt Per Capita based on 2010 population of 13,926	\$1,973

Source: Annual Debt Statement of the Borough

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<sup>1</sup> Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County  
\*Includes CCMUA and CCIA

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**APPENDIX B**

**COMPILED AND AUDITED FINANCIAL STATEMENTS  
OF THE BOROUGH OF COLLINGSWOOD**

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# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Jeffrey T. Ridgway, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Board of Commissioners  
Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Collingswood, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Collingswood on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion, on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Collingswood as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Collingswood's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards as required by *Audits of States Local Governments, and Non-Profit Organizations*, and/or *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance*, and the schedule of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and



are not a required part of the basic financial statements. The supplemental information listed in the table of contents and schedule of expenditures of federal awards as required by *Audits of States Local Governments, and Non-Profit Organizations*, and/or *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance*, and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, and schedule of expenditures of federal awards as required by *Audits of States Local Governments, and Non-Profit Organizations*, and/or *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance*, and schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016, on our consideration of the Borough of Collingswood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Borough of Collingswood's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC

*Nick L. Petroni*

Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

March 2, 2016

## **CURRENT FUND**

## EXHIBIT A

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2015	Dec. 31, 2014
Regular Fund:			
Cash - Treasurer	A-4	\$ 4,781,502.32	\$ 3,320,465.18
Change Fund		275.00	275.00
		<u>4,781,777.32</u>	<u>3,320,740.18</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	10,689.28	8,162.80
Tax Title Liens Receivable	A-7	45,847.55	45,954.09
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	10,448.70	11,837.21
Clean-up Charges Receivable		13,564.53	13,564.53
Mortgage Receivable		200,000.00	
Due from Camden County Municipal Utilities Authority		292.55	
Due from Federal and State Grant Fund	A	32,666.90	
Due from Animal Control Trust Fund	B	0.23	1.96
Due from Tax Sale Trust Fund	B	208.98	166.83
Due from Payroll Trust Fund			12,566.14
Due from Performance Bond Escrow Trust			1.92
Due from General Capital Fund	C	336.04	439.88
		<u>394,029.76</u>	<u>172,670.36</u>
Deferred Charges:			
Overexpenditure of Appropriation	A-3	1,539.19	
		<u>5,177,346.27</u>	<u>3,493,410.54</u>
Federal and State Grant Fund:			
Cash - Treasurer			44,705.04
Grants Receivable	A-5	605,556.84	409,230.89
		<u>605,556.84</u>	<u>453,935.93</u>
		<u>\$ 5,782,903.11</u>	<u>\$ 3,947,346.47</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT A  
(Continued)

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 1,224,605.75	\$ 798,175.25
Encumbrances Payable	A-11	124,612.10	102,876.44
Reserve for Maintenance of Free Public Library		116.74	3,309.09
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-12	5,250.00	5,149.73
Construction DCA		2,446.00	3,086.00
Marriage License Fees/Burial Permits		171.00	928.00
Prepaid Taxes		175,490.20	142,972.16
Tax Overpayments		49,029.96	123,308.90
Due County for Added & Omitted Taxes	A-6	1,888.88	6,647.92
Overpaid Utilities Authority Payment		292.55	
Special Improvement District Tax Payable		4,387.47	3,419.76
Reserve for Security Deposits		750.00	2,350.00
Due Trust Other	B	22,501.56	0.91
Reserve for Revenue - Unappropriated:			
Susan G. Komen The Cure Donations		1,299.00	1,239.00
Sale of Property Reserved for Debt Service	A-2:A-4	840,612.15	315,147.66
JIF Safety Awards		1,250.00	1,250.00
		<u>2,454,703.36</u>	<u>1,509,860.82</u>
Reserve for Receivables		394,029.76	172,670.36
Fund Balance	A-1	2,328,613.15	1,810,879.36
		<u>5,177,346.27</u>	<u>3,493,410.54</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	A-15	570,239.94	406,972.10
Reserve for Grants - Unappropriated	A-14	2,650.00	20,988.57
Encumbrances Payable			25,975.26
Due Current Fund	A	32,666.90	
		<u>605,556.84</u>	<u>453,935.93</u>
		<u>\$ 5,782,903.11</u>	<u>\$ 3,947,346.47</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	<b>Ref.</b>	<b>Year 2015</b>	<b>Year 2014</b>
Fund Balance Utilized	A-2	\$ 450,301.62	\$ 206,569.74
Miscellaneous Revenue Anticipated	A-2	7,290,295.92	6,585,774.65
Receipts from Delinquent Taxes	A-2	18,439.85	28,799.15
Receipts from Current Taxes	A-2	34,657,340.20	33,817,373.78
Non-Budget Revenue	A-2	69,569.24	127,146.89
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	549,981.61	232,150.19
Encumbrances Payable - Canceled	A-11	20,935.66	960.60
Interfund Loan Returned		13,257.61	130,647.35
Reserve for Grants Appropriated - Canceled			496,652.85
<b>Total Income</b>		<b>43,070,121.71</b>	<b>41,626,075.20</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS:"			
Operations:			
Salaries and Wages	A-3	4,907,583.00	4,748,973.31
Other Expenses	A-3	5,005,054.31	4,789,877.00
Deferred Charges and Statutory:			
Expenditures - Municipal	A-3	1,158,645.28	1,189,226.42
Budget Appropriations Excluded from "CAPS:"			
Operations:			
Salaries and Wages	A-3	15,000.00	15,000.00
Other Expenses	A-3	2,623,943.47	493,595.74
Capital Improvements	A-3	578,000.00	515,500.00
Debt Service	A-3	3,484,004.98	4,712,001.33
Transfer to Board of Education	A-3	222,500.00	222,500.00
County Taxes	A-6	8,182,233.24	8,053,384.64
County Open Space Taxes	A-6	203,324.91	206,497.51
Due County for Added Taxes	A-6	1,888.88	6,647.92
Local District School Tax	A-13	15,420,470.00	15,050,352.00
Special Improvement District Tax	A-6	264,767.67	263,893.47
Prior Year Deductions Disallowed	A-12	3,750.00	4,500.00
Prior Year Refund			127.00
Prior Year Tax Judgments			68,802.91
Interfund Loan Advanced		32,459.75	18,684.89
Grants Receivable Canceled			474,416.43
<b>Total Expenditures</b>		<b>42,103,625.49</b>	<b>40,833,980.57</b>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	Ref.	Year 2015	Year 2014
Excess in Revenue		966,496.22	792,094.63
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	1,539.19	
Statutory Excess to Fund Balance		968,035.41	792,094.63
<b>Fund Balance</b>			
Balance January 1	A	1,810,879.36	1,225,354.47
		2,778,914.77	2,017,449.10
Decreased by:			
Utilization as Anticipated Revenue	A-1	450,301.62	206,569.74
Balance December 31	A	\$ 2,328,613.15	\$ 1,810,879.36

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Surplus Anticipated	A-1	\$ 450,301.62		\$ 450,301.62	
Miscellaneous Revenues:					
Licenses:					
Other	A-9	1,500.00		2,186.00	\$ 686.00
Fees and Permits	A-9	45,000.00		55,987.04	10,987.04
Fines and Costs:					
Municipal Court	A-9	140,000.00		144,549.31	4,549.31
Interest and Costs on Taxes	A-9	88,825.00		81,662.00	(7,163.00)
Interest on Investments	A-9	10,000.00		15,450.26	5,450.26
Department of Recreation Fees	A-9	70,000.00		48,341.00	(21,659.00)
Fire Code Fees	A-9	70,000.00		73,065.75	3,065.75
Delaware River Port Authority	A-9	30,000.00		30,000.00	
Pool Tags	A-9	170,000.00		189,422.00	19,422.00
Rental Inspections	A-9	15,000.00		23,220.00	8,220.00
Resale Inspection Fees	A-9	6,000.00		10,385.00	4,385.00
Third Party Ambulance - Billing	A-9	350,000.00		349,696.37	(303.63)
Collingswood Ambulance Service	A-9	7,500.00		12,640.00	5,140.00
Housing Inspections	A-9	80,000.00		82,052.50	2,052.50
Senior Community Center Rents	A-9	90,000.00		96,739.10	6,739.10
Consolidated Municipal					
Property Tax Relief Act					
(NJSA 52:27D-118.34)	A-9	148,831.00		148,831.00	
Energy Receipts Tax	A-9	1,046,587.00		1,046,587.00	
Uniform Construction Code	A-9	150,000.00		162,451.00	12,451.00
Interlocal Municipal Services:					
Oaklyn - Construction	A-9	12,000.00		12,000.00	
Haddon - Fire Service	A-9	29,790.40		30,091.44	301.04
Oaklyn - Fire Code	A-9	3,000.00		3,000.00	
Cable Television Franchise Fee	A-9	98,275.84		97,866.92	(408.92)
Telephone/Internet Franchise Fee	A-9	97,866.92		98,275.84	408.92
Sale of Property	A:A-9	315,000.00		517,290.62	202,290.62
Recycled Newspapers	A-9	20,000.00		2,500.52	(17,499.48)
Sewer Operating Surplus	A-9	70,000.00		70,000.00	
Parking Operating Surplus	A-9	20,000.00		20,000.00	
Payments in Lieu:					
Parkview Apartments	A-9	800,000.00		809,358.40	9,358.40
Methodist Home	A-9	44,512.00		44,512.00	
Collingswood Housing Authority	A-9	18,000.00		19,906.00	1,906.00
Lumberyard	A-9	122,600.00		221,591.24	98,991.24
Pewter Village	A-9	121,658.40		125,135.40	3,477.00
VOA	A-9	12,000.00		13,459.87	1,459.87
Zane School	A-9	8,487.20		8,487.20	
Tedeschi	A-9	4,890.00		6,174.02	1,284.02

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Due from Scottish Rite	A-9	200,000.00		162,999.71	(37,000.29)
Due from Collingswood Partners	A-9	125,000.00		112,949.34	(12,050.66)
Lease Payments:					
Catelli Parking	A-9	18,000.00		12,000.00	(6,000.00)
Lumberyard	A-9	28,800.00		11,880.00	(16,920.00)
Robert's Pool Concession Stand Sales	A-9	22,000.00		25,261.00	3,261.00
Due from Volunteer Fire Company	A-9	1,000.00		1,076.50	76.50
JIF Safety Awards	A-9	2,000.00		2,500.00	500.00
Commodity Resale Administration Fee	A-9	5,000.00		5,000.00	
Sale of Composters and Rain Barrels	A-9	1,500.00		1,815.00	315.00
Community Development Block Grant	A-5	42,100.00	52,100.00	94,200.00	
Bulletproof Vest Partnership	A-5		1,452.90	1,452.90	
New Jersey DOT Dayton Avenue	A-5		185,000.00	185,000.00	
Clean Communities Program	A-5		29,610.35	29,610.35	
Police Body Armor	A-5		2,604.85	2,604.85	
Drunk Driving Enforcement Fund	A-5	17,714.70		17,714.70	
Recycling Tonnage Grant	A-5	20,988.57		20,988.57	
Municipal Alliance	A-5	16,150.00		16,150.00	
Safe Routes to School	A-5		241,000.00	241,000.00	
Assistance to Firefighters Grant	A-5		1,538,758.00	1,538,758.00	
Assistance to Firefighters - Local Match	A-5		134,420.20	134,420.20	
Total Miscellaneous Revenues		4,817,577.03	2,184,946.30	7,290,295.92	287,772.59
Receipts from Delinquent Taxes	A-2	15,000.00		18,439.85	3,439.85
Amount to be Raised by Taxation	A-2	10,336,836.00		10,396,048.64	59,212.64
Minimum Library Tax	A-2	338,312.00		338,312.00	
Budget Totals		15,958,026.65	2,184,946.30	18,493,398.03	350,425.08
Non-Budget Revenue	A-2			69,569.24	
		<u>\$ 15,958,026.65</u>	<u>\$ 2,184,946.30</u>	<u>\$ 18,562,967.27</u>	
Ref.		A-3	A-3		



STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 34,657,340.20
Allocated to:		
School, County and Special Improvement Taxes		24,072,684.70
Balance for Support of Municipal Budget Appropriation		10,584,655.50
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	149,705.14
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 10,734,360.64</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6:A-2	\$ 10,381.17
Tax Title Liens	A-7	8,058.68
	A-2	<u>\$ 18,439.85</u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	\$ 11,534.25
Commercial C/O Inspections	A-9	1,150.00
Conrail	A-9	300.00
Senior Citizen Administration Fee	A-9	1,883.26
DMV Inspection Fines	A-9	1,950.00
Clean up Charges	A-9	5,986.51
Taxi Cab Vehicle	A-9	375.00
Miscellaneous Revenue	A-9	12,269.94
Sale of Assets	A-9	5,861.50
Tax Searches	A-9	340.00
Miscellaneous Tax Fees	A-9	1,103.68
Prior Year Refund	A-9	26,017.19
Other Refunds	A-9	797.91
	A-2	<u>\$ 69,569.24</u>

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>GENERAL GOVERNMENT FUNCTIONS</b>							
Administrator's Office							
Other Expenses	\$ 750.00	\$ 750.00	\$ 682.85		\$ 67.15		
Mayor and Commissioners							
Salaries and Wages	23,500.00	23,500.00	22,971.78		528.22		
Other Expenses	150.00	150.00	55.00		95.00		
Municipal Clerk							
Salaries and Wages	47,500.00	48,000.00	47,631.37		368.63		
Other Expenses:							
Printing and Advertising	15,000.00	20,000.00	19,580.19		419.81		
Stationery and Supplies	500.00	500.00	426.04		73.96		
Miscellaneous Other Expenses	2,500.00	2,500.00	1,787.52		712.48		
Elections							
Salaries and Wages	1,500.00	1,500.00	1,300.00		200.00		
Other Expenses	9,000.00	9,000.00	7,817.52	\$ 100.00	1,082.48		
Financial Administration							
Salaries and Wages	50,000.00	46,000.00	40,134.40		5,865.60		
Other Expenses:							
Computer Consultant	5,000.00	5,000.00			5,000.00		
Miscellaneous Other Expenses	48,000.00	48,000.00	43,321.62	1,600.00	3,078.38		
Audit Services							
Other Expenses	19,500.00	19,500.00	19,500.00				
Collection of Taxes							
Salaries and Wages	5,500.00	5,500.00	5,340.40		159.60		
Other Expenses	18,600.00	18,600.00	14,868.21		3,731.79		
Assessment of Taxes							
Salaries and Wages	22,500.00	22,500.00	21,804.90		695.10		
Other Expenses	7,325.00	8,825.00	8,616.73		208.27		
Legal Services and Costs							
Other Expenses	60,000.00	95,000.00	91,721.49		3,278.51		
Engineering Services and Costs							
Other Expenses	20,000.00	20,000.00	10,988.00	5,912.00	3,100.00		
Community Development							
Salaries and Wages	32,000.00	34,000.00	31,485.64		2,514.36		
Other Expenses	12,500.00	12,500.00	6,406.25	21.00	6,072.75		
Historical Building - Knight Homestead							
Other Expenses	550.00	550.00	88.00		462.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>LAND USE ADMINISTRATION</b>							
Municipal Land Use Law (NJSA 40:55D-1)							
Planning Board							
Salaries and Wages	6,500.00	7,000.00	6,709.79		290.21		
Other Expenses	13,000.00	13,000.00	11,118.01		1,881.99		
Zoning Commission							
Salaries and Wages	16,500.00	20,500.00	20,198.67		301.33		
Other Expenses	7,000.00	10,000.00	9,970.99		29.01		
<b>INSURANCE</b>							
Liability Insurance	292,882.84	292,882.84	292,616.87		265.97		
Workers Compensation Insurance	236,573.28	236,573.28	236,573.28				
Group Insurance Plan for Employees	1,866,809.00	1,866,809.00	1,662,619.82		204,189.18		
Health Benefit Waiver	10,000.00	11,000.00	10,562.50		437.50		
<b>PUBLIC SAFETY FUNCTIONS</b>							
Police							
Salaries and Wages	2,455,000.00	2,455,000.00	2,117,727.29		337,272.71		
Other Expenses	110,000.00	111,500.00	111,084.72	1,954.47	0.00		\$ 1,539.19
Police Car Lease	38,000.00	38,000.00	35,795.26		2,204.74		
Ambulance							
Other Expenses	42,400.00	42,400.00	30,833.73	3,736.00	7,830.27		
Emergency Management Services							
Other Expenses	3,500.00	3,500.00	1,181.00		2,319.00		
Fire							
Salaries and Wages	1,280,000.00	1,261,400.00	1,201,006.80		60,393.20		
Other Expenses	68,225.00	68,225.00	58,388.08	9,483.31	353.61		
Volunteer Fire Company							
Salaries and Wages	1,000.00	1,000.00	400.00		600.00		
Uniform Fire Safety Act (PL 1983, CH. 383):							
Fire Inspector							
Salaries and Wages	65,000.00	65,000.00	61,772.31		3,227.69		
Other Expenses	12,300.00	12,300.00	7,445.57		4,854.43		
Municipal Prosecutor							
Salaries and Wages	15,183.00	15,183.00	15,159.08		23.92		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>PUBLIC WORKS FUNCTIONS</b>							
Streets and Highways							
Salaries and Wages	215,000.00	195,000.00	169,756.72		25,243.28		
Other Expenses	18,500.00	18,500.00	18,492.83		7.17		
JIF Safety Equipment							
Other Expenses	2,000.00	2,000.00	351.54		1,648.46		
Snow Removal							
Other Expenses	5,000.00	5,000.00	5,000.00				
Shade Tree Commission							
Other Expenses	20,000.00	20,000.00	15,603.10	153.31	4,243.59		
Solid Waste Collection							
Contractual	540,000.00	490,000.00	407,500.00	40,750.00	41,750.00		
Public Building and Grounds							
Other Expenses	46,000.00	96,000.00	38,420.56	533.00	57,046.44		
Lumberyard							
Other Expenses	45,000.00	45,000.00	39,470.55		5,529.45		
Vehicle Maintenance							
Other Expenses	80,000.00	60,000.00	36,050.89	13,145.36	10,803.75		
<b>HEALTH AND HUMAN SERVICES</b>							
Public Health Services (Board of Health)							
Other Expenses	1,700.00	1,700.00	1,446.75		253.25		
Animal Regulation							
Other Expenses	10,000.00	11,000.00	9,648.85		1,351.15		
<b>PARK AND RECREATION FUNCTIONS</b>							
Parks and Playgrounds							
Salaries and Wages	43,000.00	43,000.00	35,921.52		7,078.48		
Other Expenses	72,500.00	72,500.00	55,375.59	4,356.22	12,768.19		
Robert's Park Swimming Pool							
Salaries and Wages	100,000.00	95,000.00	94,038.36		961.64		
Other Expenses	100,000.00	85,000.00	76,090.16		8,909.84		
Senior Center							
Salaries and Wages	45,000.00	45,000.00	35,941.28		9,058.72		
Other Expenses	54,000.00	50,250.00	48,742.80		1,507.20		
Foundation for the Arts							
Salaries and Wages	160,000.00	160,000.00	124,705.30		35,294.70		
Other Expenses	500.00	500.00			500.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Business Improvement District							
Salaries and Wages	105,000.00	105,000.00	93,356.00		11,644.00		
Other Expenses	34,000.00	34,000.00	33,333.00		667.00		
<b>OTHER COMMON OPERATING FUNCTIONS</b>							
Community Sponsored Events							
Other Expenses	15,000.00	15,000.00	13,262.32	500.00	1,237.68		
Accumulated Leave Compensation	165,000.00	165,000.00	165,000.00				
<b>UTILITY AND BULK EXPENSES</b>							
Electricity	100,000.00	100,000.00	77,194.29		22,805.71		
Street Lighting	180,000.00	180,000.00	124,549.16		55,450.84		
Telephone	40,000.00	40,000.00	39,700.81	194.62	104.57		
Gas (Natural or Propane)	40,000.00	40,000.00	23,140.39		16,859.61		
Fuel Oil	45,000.00	45,000.00	22,003.38	1,546.79	21,449.83		
Telecommunication Costs	13,000.00	13,000.00	6,265.57		6,734.43		
Gasoline	90,000.00	90,000.00	49,738.74		40,261.26		
<b>SOLID WASTE DISPOSAL COSTS</b>							
Solid Waste Disposal							
Other Expenses	320,000.00	320,000.00	259,018.43	26,975.33	34,006.24		
<b>MUNICIPAL COURT</b>							
Salaries and Wages	136,500.00	136,500.00	132,896.18		3,603.82		
Other Expenses	32,000.00	32,000.00	21,061.99	273.85	10,664.16		
Public Defender							
Salaries and Wages	5,000.00	5,000.00	4,848.90		151.10		
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>							
Construction Official							
Salaries and Wages	117,000.00	117,000.00	110,569.46		6,430.54		
Other Expenses	5,000.00	5,000.00	4,250.40		749.60		
Total Operations Including Contingent Within "CAPS"	9,942,448.12	9,911,098.12	8,680,437.50	111,235.26	1,120,964.55		1,539.19
Detail:							
Salaries and Wages	4,948,183.00	4,907,583.00	4,395,676.15		511,906.85		
Other Expenses	4,994,265.12	5,003,515.12	4,284,761.35	111,235.26	609,057.70		1,539.19

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>STATUTORY EXPENDITURES:</b>							
Contribution to:							
Public Employees' Retirement System	197,929.00	197,929.00	196,154.83		1,774.17		
Public Employees' Retirement System - Adjustment Bill	11,032.56	11,032.56	11,032.56				
Social Security System (OASI)	220,000.00	220,000.00	156,503.56		63,496.44		
Consolidated Police & Firemen's Retirement System	161.72	161.72	83.26		78.46		
Police & Firemen's Retirement System	726,922.00	726,922.00	712,765.12		14,156.88		
Defined Contribution Retirement Program	2,500.00	2,600.00	2,511.25		88.75		
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,158,545.28	1,158,645.28	1,079,050.58		79,594.70		
Total General Appropriations for Municipal Purposes within "CAPS"	11,100,993.40	11,069,743.40	9,759,488.08	111,235.26	1,200,559.25		1,539.19
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
<b>EDUCATION FUNCTIONS</b>							
Maintenance of Free Public Library	392,275.00	392,275.00	375,336.70	478.09	16,460.21		
<b>INSURANCE</b>							
Group Insurance Plan for Employees	58,191.00	58,191.00	58,191.00				
<b>SOLID WASTE DISPOSAL COSTS</b>							
Recycling Tax							
Other Expenses	17,500.00	17,500.00	17,500.00				
Total Other Operations - Excluded from "CAPS"	467,966.00	467,966.00	451,027.70	478.09	16,460.21		
<b>SHARED SERVICE AGREEMENTS</b>							
Construction Code -Shared Service Agreements:							
Construction Official - Salaries & Wages:							
Borough of Oaklyn	12,000.00	12,000.00	10,281.33		1,718.67		
Fire Services - Interlocal Service Agreements:							
Township of Haddon	29,790.40	29,790.40	16,819.35	12,898.75	72.30		
Borough of Oaklyn	3,000.00	3,000.00	2,999.88		0.12		
Total Interlocal Municipal Service Agreements Excluded	44,790.40	44,790.40	30,100.56	12,898.75	1,791.09		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES</b>						
Matching Funds for Grants	25,250.00	5,795.20			5,795.20	
Recycling Tonnage Grant	20,988.57	20,988.57	20,988.57			
Clean Communities Program		29,610.35	29,610.35			
Municipal Alliance on Alcoholism and Drug Abuse	20,187.50	20,187.50	20,187.50			
Drunk Driving Enforcement Fund	17,714.70	17,714.70	17,714.70			
Community Development Block Grant	42,100.00	94,200.00	94,200.00			
Police Body Armor Grant		2,604.85	2,604.85			
Safe Routes to Schools		241,000.00	241,000.00			
Bulletproof Vest Fund		1,452.90	1,452.90			
Assistance to Firefighters Grant		1,538,758.00	1,538,758.00			
Assistance to Firefighters - Local Match		153,875.00	153,875.00			
Total Public and Private Programs Excluded from "CAPS"	126,240.77	2,126,187.07	2,120,391.87		5,795.20	
Total Operations Excluded from "CAPS"	638,997.17	2,638,943.47	2,601,520.13	13,376.84	24,046.50	
Detail:						
Salaries and Wages	15,000.00	15,000.00	13,281.21		1,718.79	
Other Expenses	623,997.17	2,623,943.47	2,588,238.92	13,376.84	22,327.71	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	375,000.00	393,000.00	393,000.00			
NJ Transportation Trust Fund - Dayton Avenue		185,000.00	185,000.00			
Capital Improvements Excluded from "CAPS"	375,000.00	578,000.00	578,000.00			
<b>DEBT SERVICE</b>						
Payment of Bond Principal	1,795,000.00	1,795,000.00	1,795,000.00			
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00			
Payment of Bond Anticipation Notes - Condo Units	565,000.00	565,000.00	565,000.00			
Interest on Bonds	983,496.28	983,496.28	983,495.33			\$ 0.95
Interest on Notes	27,334.66	40,584.66	40,509.65			75.01
Total Debt Service	3,470,830.94	3,484,080.94	3,484,004.98			75.96

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Over- expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Transfer to Board of Education	222,500.00	222,500.00	222,500.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,707,328.11	6,923,524.41	6,886,025.11	13,376.84	24,046.50	75.96
Subtotal General Appropriations	15,808,321.51	17,993,267.81	16,645,513.19	124,612.10	1,224,605.75	75.96
Reserve for Uncollected Taxes	149,705.14	149,705.14	149,705.14			1,539.19
Total General Appropriations	<u>\$ 15,958,026.65</u>	<u>\$ 18,142,972.95</u>	<u>\$ 16,795,218.33</u>	<u>\$ 124,612.10</u>	<u>\$ 1,224,605.75</u>	<u>\$ 1,539.19</u>
Ref.	A-2			A-11	A	A
Budget	Ref. A-3	\$ 15,958,026.65				
Budget Amendments per NJSA 40A:4-87	A-2	2,184,946.30				
		<u>\$ 18,142,972.95</u>				
Reserve for Uncollected Taxes	Ref. A-2	\$ 149,705.14				
Reserve for Federal & State Grants - Appropriated	A-15	2,305,391.87				
Disbursed	A-4	14,340,121.32				
		<u>\$ 16,795,218.33</u>				

The accompanying notes to the financial statements are an integral part of this statement.



## **TRUST FUND**

## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Animal Control Trust Fund			
Cash - Treasurer	B-1	\$ 807.56	\$ 6,007.05
Performance Bond Escrow			
Cash - Treasurer			2,716.30
Payroll Trust Fund			
Cash - Treasurer	B-1	1,632.39	62,222.91
Trust Other Fund			
Cash - Treasurer	B-1	236,589.74	144,708.08
Commodity Resale Receivable		15,442.57	29,544.93
Accounts Receivable Off-Duty Police		63,170.75	80,407.53
Due from Current Fund	A	22,501.56	0.91
		337,704.62	254,661.45
Tax Sale Premium			
Cash - Collector	B-2	921,318.94	1,172,753.33
Due from Water Operating Fund	D	805.07	
		922,124.01	1,172,753.33
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	34,786.85	43,850.73
		<u>\$ 1,297,055.43</u>	<u>\$ 1,542,211.77</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Animal Control Trust Fund			
Due Current Fund	A	\$ 0.23	\$ 1.96
Due State of New Jersey		9.60	7.20
Reserve for Dog Fund Expenditures	B-3	797.73	5,997.89
		<u>807.56</u>	<u>6,007.05</u>
Performance Bond Escrow			
Due Current Fund			1.92
Reserve for Performance Bond Escrow			2,714.38
			<u>2,716.30</u>
Payroll Trust Fund			
Payroll Taxes Payable		1,632.39	45,887.41
Due Current Fund			12,566.14
Due Water Operating Fund			1,582.00
Due Sewer Operating Fund			2,187.36
		<u>1,632.39</u>	<u>62,222.91</u>
Trust Other Fund			
Encumbrances Payable		18,104.13	14,240.23
Reserve for:			
Zoning Board Escrow		5,191.50	3,745.25
Planning Board Escrow		15,955.95	8,611.45
Performance Bond Escrow		4,010.88	
Street Opening Escrow		6,150.50	
Storm Recovery Trust Fund		14,075.53	22,927.21
Public Defender		1,598.45	1,305.20
Parking Offense Adjudication Act		519.49	1,030.89
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire Safety - Penalty Money			9,166.96
Municipal Alliance Program Income		935.66	935.66
Law Enforcement Forfeiture		7,798.22	3,507.92
Donations - Police Equipment		1,922.25	1,922.25
Donations - Fire Equipment		840.46	665.46
Donations - Bike Share Program		12,244.19	12,885.28
Donations - Community Events and Activities		73,982.11	70,432.53
Recreation Trust Fund		1,249.69	1,249.69

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES. AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<b>(CONTINUED)</b>			
Trust Other Fund			
Domestic Violence Program Income		283.39	283.39
Accumulated Absences		52,157.51	4,909.26
Commodity Resale		35,797.45	33,943.58
Off-Duty Police		80,405.18	58,417.16
Bequest - Ambulance Donations		3,082.08	3,082.08
		<u>337,704.62</u>	<u>254,661.45</u>
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B-4	60,315.03	22,986.50
Reserve for Tax Sale Premiums	B-5	861,600.00	1,149,600.00
Due Current Fund	A	208.98	166.83
		<u>922,124.01</u>	<u>1,172,753.33</u>
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		34,786.85	43,850.73
		<u>34,786.85</u>	<u>43,850.73</u>
		<u><u>\$ 1,297,055.43</u></u>	<u><u>\$ 1,542,211.77</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL CAPITAL FUND**

## EXHIBIT C

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2015	Dec. 31, 2014
Cash - Treasurer	C-2	\$ 1,909,831.47	\$ 1,276,625.63
Deferred Charges to Future Taxation:			
Funded	C-4	22,264,000.00	24,059,000.00
Unfunded	C-6	3,918,006.00	2,968,006.00
Amount to be Provided by Capital Lease		69,522.31	65,831.03
Due from Collingswood Board of Education			53,000.00
Due from Knights Park Trustees			5,000.00
Due from Camden County Open Space			25,000.00
Due from Board of Education Camden County Open Space			25,000.00
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>\$ 29,461,359.78</u>	<u>\$ 29,777,462.66</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-9	\$ 5,040,000.00	\$ 4,090,000.00
Serial Bonds Payable	C-8	22,264,000.00	24,059,000.00
Improvement Authorizations:			
Funded	C-7	247,033.58	153,074.78
Unfunded	C-7	1,608,504.42	531,575.85
Encumbrances Payable		225,544.09	429,121.78
Capital Improvement Fund	C-5	1,419.34	285,744.34
Deposits on Sale of Property	C-3	5,000.00	5,000.00
Due from Current Fund	A	336.04	439.88
Capital Lease Payable		69,522.31	65,831.03
Fund Balance			157,675.00
		<u>\$ 29,461,359.78</u>	<u>\$ 29,777,462.66</u>

EXHIBIT C-1

## SCHEDULE OF FUND BALANCE

Balance December 31, 2014	Ref. C	\$ 157,675.00
Decreased by:		
Financed Improvement Authorizations	C-7	<u>157,675.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **WATER UTILITY FUND**

## EXHIBIT D

## COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2015	Dec. 31, 2014
<b>Operating Fund</b>			
Cash - Treasurer	D-5	\$ 840,226.07	\$ 380,176.46
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund	D	117.05	51.02
Due from Payroll Agency Trust			1,582.00
		<u>840,493.12</u>	<u>381,959.48</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>157,231.91</u>	<u>188,594.02</u>
Deferred Charges:			
Deficit in Operations			<u>4,358.53</u>
Total Operating Fund		<u>997,725.03</u>	<u>574,912.03</u>
<b>Capital Fund</b>			
Cash - Treasurer	D-5	382,156.81	238,722.60
Fixed Capital	D-8	8,028,338.91	8,028,338.91
Fixed Capital Authorized and Uncompleted	D-9	4,702,240.00	4,302,240.00
Due from New Jersey Environmental Infrastructure Loan			<u>25,254.30</u>
Total Capital Fund		<u>13,112,735.72</u>	<u>12,594,555.81</u>
		<u>\$ 14,110,460.75</u>	<u>\$ 13,169,467.84</u>

The accompanying notes to the financial statements are an integral part of this statement.



EXHIBIT D  
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 223,016.16	\$ 261,210.04
Encumbrances Payable	D-12	144,258.71	4,963.04
Accrued Interest on Bonds & Loans	D-14	41,772.04	44,019.80
Water Rent Overpayments		12,108.54	10,272.87
Due Tax Sale Redemption Trust	B:D-5	805.07	
Due Sewer Operating Fund	E	13,698.92	9,086.68
		<u>435,659.44</u>	<u>329,552.43</u>
Reserve for Receivables		157,231.91	188,594.02
Fund Balance	D-1	404,833.68	56,765.58
Total Operating Fund		<u>997,725.03</u>	<u>574,912.03</u>
<b>Capital Fund</b>			
Serial Bonds Payable	D-16	2,250,500.00	2,422,500.00
NJ Environmental Infrastructure Loan Payable	D-17	1,483,880.24	1,556,692.90
Improvement Authorizations:			
Funded	D-15	352,087.05	27,087.05
Unfunded	D-15	1,020,759.48	879,234.94
Encumbrances Payable	D-12	1,791.58	309,812.94
Capital Improvement Fund	D-13	75,205.99	275,205.99
Reserve for Amortization		7,387,092.67	6,982,669.31
Deferred Reserve for Amortization	D-10	540,000.00	140,000.00
Due Water Operating Fund	D	117.05	51.02
Fund Balance	D-2	1,301.66	1,301.66
Total Capital Fund		<u>13,112,735.72</u>	<u>12,594,555.81</u>
		<u>\$ 14,110,460.75</u>	<u>\$ 13,169,467.84</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - WATER UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2015	Year 2014
Fund Balance Utilized	D-3	\$ 24,308.53	\$ 3,000.00
Rents	D-3	2,397,476.42	2,266,665.04
Miscellaneous	D-3	36,779.36	19,249.33
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	210,398.26	59,564.91
Total Income		<u>2,668,962.57</u>	<u>2,348,479.28</u>
<b>Expenditures</b>			
Operating	D-4	1,568,000.00	1,608,286.08
Capital Improvements	D-4	345,000.00	225,000.00
Debt Service	D-4	361,227.41	369,551.73
Deferred Charges and Statutory Expenditures	D-4	97,358.53	150,000.00
Total Expenditures		<u>2,371,585.94</u>	<u>2,352,837.81</u>
Excess in Revenue		297,376.63	
Deficit in Revenue			<u><u>\$ 4,358.53</u></u>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which were funded by a Bond Ordinance	D-4	<u>75,000.00</u>	
Statutory Excess to Fund Balance		372,376.63	
<b>Fund Balance</b>			
Balance January 1	D	<u>56,765.58</u>	<u>\$ 59,765.58</u>
		429,142.21	59,765.58
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>24,308.53</u>	<u>3,000.00</u>
Balance December 31	D	<u><u>\$ 404,833.68</u></u>	<u><u>\$ 56,765.58</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-2

## STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2014	Ref. D	\$ 1,301.66
Balance December 31, 2015	D	<u>\$ 1,301.66</u>

## EXHIBIT D-3

## STATEMENT OF REVENUES - WATER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 24,308.53	\$ 24,308.53	
Rents	D-3	2,266,000.00	2,397,476.42	\$ 131,476.42
Miscellaneous	D-3	9,000.00	36,779.36	27,779.36
		<u>\$ 2,299,308.53</u>	<u>\$ 2,458,564.31</u>	<u>\$ 159,255.78</u>
	Ref. D-4			

## Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 2,387,203.55
Overpayments Applied	D-7	10,272.87
		<u>\$ 2,397,476.42</u>
Miscellaneous:		
Interest on Delinquent Accounts		\$ 14,942.66
Miscellaneous		19,617.20
Interest on Investments		2,219.50
	D-5	<u>\$ 36,779.36</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 603,000.00	\$ 603,000.00	\$ 544,357.90		\$ 58,642.10	
Other Expenses	965,000.00	965,000.00	806,252.06	\$ 7,798.71	150,949.23	
Capital Improvements:						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00			
Purchase Utility Truck	70,000.00	70,000.00		64,134.00	5,866.00	
Repair to Well 35		75,000.00		72,326.00	2,674.00	
Debt Service:						
Payment of Bond Principal	172,000.00	172,000.00	172,000.00			
Payment of Loan Principal	73,000.00	73,000.00	72,812.66			\$ 187.34
Interest on Bonds	97,000.00	97,000.00	94,798.08			2,201.92
Interest on Loan	21,950.00	21,950.00	21,616.67			333.33
Deferred Charges:						
Deficit in Operations	4,358.53	4,358.53	4,358.53			
Statutory Expenditures:						
Public Employees' Retirement System	48,000.00	48,000.00	45,000.00		3,000.00	
Social Security System (OASI)	45,000.00	45,000.00	43,115.17		1,884.83	
	<u>\$ 2,299,308.53</u>	<u>\$ 2,374,308.53</u>	<u>\$ 2,004,311.07</u>	<u>\$ 144,258.71</u>	<u>\$223,016.16</u>	<u>\$ 2,722.59</u>
Ref.	D-3			D-12	D	
	Ref.					
Budget	D-3	\$ 2,299,308.53				
Emergency Authorization	D-3	75,000.00				
		<u>\$ 2,374,308.53</u>				
		Ref.				
Deferred Charge: Deficit in Operations			\$ 4,358.53			
Interest on Bonds and Notes		D-14	116,414.75			
Disbursed		D-5	1,883,537.79			
			<u>\$ 2,004,311.07</u>			

The accompanying notes to the financial statements are an integral part of this statement.

## **SEWER UTILITY FUND**

## EXHIBIT E

## COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

			Balance Dec. 31, 2015	Balance Dec. 31, 2014
	<b>ASSETS</b>	Ref.		
<b>Operating Fund</b>				
Cash - Treasurer	E-5	\$	622,147.76	\$ 500,813.17
Cash - Change Fund			50.00	50.00
Cash - Petty Cash			100.00	100.00
Due from Water Operating Fund	D		13,698.92	9,086.68
Due from Sewer Capital Fund	E		221.33	160.12
Due from Payroll Trust Fund				2,187.36
			<u>636,218.01</u>	<u>512,397.33</u>
Receivables with Full Reserves:				
Consumer Accounts Receivable	E-7		2,483.20	2,349.42
Sewer Liens	E-8		155.04	155.04
			<u>2,638.24</u>	<u>2,504.46</u>
Total Operating Fund			<u>638,856.25</u>	<u>514,901.79</u>
<b>Capital Fund</b>				
Cash - Treasurer	E-5		751,038.47	746,690.73
Fixed Capital	E-9		5,460,682.14	5,387,682.14
Fixed Capital Authorized and Uncompleted	E-10		1,750,000.00	1,650,000.00
Total Capital Fund			<u>7,961,720.61</u>	<u>7,784,372.87</u>
			<u>\$ 8,600,576.86</u>	<u>\$ 8,299,274.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT E  
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	E-4:E-11	\$ 187,279.78	\$ 217,717.37
Encumbrances Payable	E-12	17,797.41	3,470.06
Accrued Interest on Bonds	E-14	32,114.60	34,856.98
Sewer Rent Overpayments	E-5	5,860.51	6,522.38
		<u>243,052.30</u>	<u>262,566.79</u>
Reserve for Receivables		2,638.24	2,504.46
Fund Balance	E-1	393,165.71	249,830.54
Total Operating Fund		<u>638,856.25</u>	<u>514,901.79</u>
<b>Capital Fund</b>			
Serial Bonds Payable	E-16	1,475,500.00	1,597,500.00
NJ Wastewater Treatment Trust Loan	E-17	893,678.45	1,013,506.54
Improvement Authorizations:			
Funded	E-15	285,675.40	186,388.87
Capital Improvement Fund	E-13	297,391.00	222,391.00
Encumbrances Payable	E-12	2,697.67	172,697.67
Due Sewer Operating Fund	E	221.33	160.12
Reserve for Amortization		4,591,503.69	4,276,675.60
Deferred Reserve for Amortization	E-18	250,000.00	150,000.00
Fund Balance	E-2	165,053.07	165,053.07
Total Capital Fund		<u>7,961,720.61</u>	<u>7,784,372.87</u>
		<u>\$ 8,600,576.86</u>	<u>\$ 8,299,274.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SEWER UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2015	Year 2014
Fund Balance Utilized	E-3	\$ 92,000.00	\$ 7,573.74
Rents	E-3	1,959,543.54	1,940,789.87
Miscellaneous	E-3	9,591.03	7,931.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	193,299.96	41,771.74
Total Income		<u>2,254,434.53</u>	<u>1,998,067.03</u>
<b>Expenditures</b>			
Operating	E-4	1,268,000.00	1,218,762.87
Capital Improvements	E-4	248,000.00	175,000.00
Debt Service	E-4	316,099.36	315,040.29
Deferred Charges and Statutory Expenditures	E-4	187,000.00	185,000.00
Total Expenditures		<u>2,019,099.36</u>	<u>1,893,803.16</u>
Excess in Revenue		235,335.17	104,263.87
<b>Fund Balance</b>			
Balance January 1	E	<u>249,830.54</u>	<u>153,140.41</u>
		485,165.71	257,404.28
Decreased by:			
Utilization as Anticipated Revenue	E-1	<u>92,000.00</u>	<u>7,573.74</u>
Balance December 31	E	<u><u>\$ 393,165.71</u></u>	<u><u>\$ 249,830.54</u></u>

The accompanying notes to the financial statements are an integral part of this statement.



## EXHIBIT E-2

## STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2014	Ref. E	\$ 165,053.07
Balance December 31, 2015	E	<u>\$ 165,053.07</u>

## EXHIBIT E-3

## STATEMENT OF REVENUES - SEWER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	\$ 92,000.00	\$ 92,000.00	
Rents	E-3	1,930,000.00	1,959,543.54	\$ 29,543.54
Shared Service Agreement - Haddonfield		5,000.00		(5,000.00)
		<u>\$ 2,027,000.00</u>	<u>\$ 2,051,543.54</u>	<u>\$ 24,543.54</u>
	Ref. E-4			

**Analysis of Realized Revenue**

## Rents:

## Consumer Accounts Receivable:

Collected	E-7	\$ 1,953,021.16
Overpayments Applied	E-7	6,522.38
		<u>\$ 1,959,543.54</u>

## Miscellaneous:

Interest on Delinquent Accounts		\$ 5,657.48
Interest on Investments		3,183.55
Connection Fee		750.00
	E-5	<u>\$ 9,591.03</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries & Wages	\$ 678,000.00	\$ 678,000.00	\$ 596,808.77		\$ 81,191.23	
Other Expenses	585,000.00	585,000.00	471,436.40	\$ 17,797.41	95,766.19	
Shared Service Agreement - Haddonfield	5,000.00	5,000.00			5,000.00	
Capital Improvements:						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00			
Purchase of a Vehicle	38,000.00	38,000.00	38,000.00			
Purchase a Pickup Truck with Plow	35,000.00	35,000.00	35,000.00			
Debt Service:						
Payment of Bond Principal	122,000.00	122,000.00	122,000.00			
Payment of Loan Principal	120,000.00	120,000.00	119,828.09			\$ 171.91
Interest on Bonds	61,375.00	61,375.00	61,224.59			150.41
Interest on Loans	20,625.00	20,625.00	13,046.68			7,578.32
Statutory Expenditures:						
Public Employees' Retirement System	65,000.00	65,000.00	65,000.00			
Social Security System (OASI)	52,000.00	52,000.00	46,677.64		5,322.36	
Deferred Charges:						
Surplus General Budget	70,000.00	70,000.00	70,000.00			
	<u>\$ 2,027,000.00</u>	<u>\$ 2,027,000.00</u>	<u>\$ 1,814,022.17</u>	<u>\$ 17,797.41</u>	<u>\$ 187,279.78</u>	<u>\$ 7,900.64</u>
Ref.	E-3			E-12	E	
Interest on Bonds and Notes		Ref.				
Disbursed		E-14	\$ 74,271.27			
		E-5	1,739,750.90			
			<u>\$ 1,814,022.17</u>			

The accompanying notes to the financial statements are an integral part of this statement.

## **PARKING UTILITY FUND**

## EXHIBIT F

## COMPARATIVE BALANCE SHEET - PARKING UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>		Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<b>Operating Fund</b>				
Cash	F-4	\$	175,467.21	\$ 221,939.95
Due from Parking Utility Capital Fund	F		27.98	3.18
			<u>175,495.19</u>	<u>221,943.13</u>
Deferred Charges:				
Deficit in Operations	F-1		<u>5,521.82</u>	
Total Operating Fund			<u>181,017.01</u>	<u>221,943.13</u>
<b>Capital Fund</b>				
Cash	F-4		<u>95,027.98</u>	<u>15,003.18</u>
			<u><u>\$ 276,044.99</u></u>	<u><u>\$ 236,946.31</u></u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>				
<b>Operating Fund</b>				
Appropriation Reserve	F-3:F-6	\$	25,577.83	\$ 3,792.79
Encumbrances Payable	F-8		488.84	
Fund Balance	F-1		<u>154,950.34</u>	<u>218,150.34</u>
			<u>181,017.01</u>	<u>221,943.13</u>
<b>Capital Fund</b>				
Due Parking Utility Operating Fund	F		27.98	3.18
Improvement Authorizations - Funded	F-9		80,000.00	
Capital Improvement Fund	F-7		<u>15,000.00</u>	<u>15,000.00</u>
			<u>95,027.98</u>	<u>15,003.18</u>
			<u><u>\$ 276,044.99</u></u>	<u><u>\$ 236,946.31</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT F-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - PARKING UTILITY FUND - REGULATORY BASIS

<b>Revenue and Other Income Realized</b>	Ref.	Year 2015	Year 2014
Surplus Anticipated	F-2	\$ 63,200.00	\$ 20,000.00
Parking Meter	F-2	163,515.78	197,439.76
Miscellaneous Revenue Not Anticipated	F-2	7,169.61	9,675.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-6	3,792.79	47,228.55
Total Income		<u>237,678.18</u>	<u>274,343.83</u>
<b>Expenditures</b>			
Operating	F-3	101,000.00	130,491.10
Capital Improvements	F-3	120,000.00	15,000.00
Deferred Charges and Statutory Expenditures	F-3	22,200.00	19,508.90
		<u>243,200.00</u>	<u>165,000.00</u>
Excess in Revenue			109,343.83
Deficit in Revenue		<u>\$ 5,521.82</u>	
<b>Fund Balance</b>			
Balance January 1	F	\$ 218,150.34	128,806.51
		218,150.34	238,150.34
Decreased by:			
Utilization as Anticipated Revenue	F-1	63,200.00	20,000.00
Balance December 31	F	<u>\$ 154,950.34</u>	<u>\$ 218,150.34</u>

## EXHIBIT F-2

## STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	\$ 63,200.00	\$ 63,200.00	
Parking Meter	F-4	180,000.00	163,515.78	\$ (16,484.22)
		<u>\$ 243,200.00</u>	<u>\$ 226,715.78</u>	<u>\$ (16,484.22)</u>
	Ref.	F-3		
Miscellaneous:				
Interest on Investments			\$ 681.61	
Parking Permit Fees			6,488.00	
	F-4		<u>\$ 7,169.61</u>	

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - PARKING UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Operating:					
Salary & Wages	\$ 28,000.00	\$ 28,000.00	\$ 23,913.64		\$ 4,086.36
Other Expenses	98,000.00	73,000.00	54,621.47	\$ 488.84	17,889.69
Capital Improvements:					
Capital Improvement Fund	80,000.00	80,000.00	80,000.00		
Purchase/Lease New Vehicle	15,000.00	40,000.00	36,886.37		3,113.63
Statutory Expenditures:					
Social Security	2,200.00	2,200.00	1,711.85		488.15
Surplus - General Budget	20,000.00	20,000.00	20,000.00		
	<u>\$ 243,200.00</u>	<u>\$ 243,200.00</u>	<u>\$ 217,133.33</u>	<u>\$ 488.84</u>	<u>\$ 25,577.83</u>
Ref.	F-2		F-4	F-8	F

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL FIXED ASSETS**

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

<b>ASSETS</b>	Balance Dec. 31, 2015	Balance Dec. 31, 2014
General Fixed Assets:		
Buildings	\$ 24,879,198.18	\$ 26,698,030.92
Land	784,275.00	784,275.00
Infrastructure	11,843,364.15	11,606,964.15
Machinery & Equipment	3,805,155.58	3,379,144.00
Vehicles	3,800,477.73	3,948,326.07
	<u>\$ 45,112,470.64</u>	<u>\$ 46,416,740.14</u>
Investment in General Fixed Assets	<u>\$ 45,112,470.64</u>	<u>\$ 46,416,740.14</u>

The accompanying notes to the financial statements are an integral part of this statement.



## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**A. Reporting Entity**

The Borough of Collingswood was incorporated in 1888 and is located in Camden County, New Jersey.

The Borough has an elected Mayor and two elected Commissioners with elections every four years. The Borough is managed daily by the Borough Administrator.

Except as noted below, the financial statements of the Borough of Collingswood included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Collingswood, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of the taxes. However, under the regulatory basis of accounting in New Jersey, the component units are neither blended nor shown in a discrete presentation in the financial statements of the Borough. The Collingswood Free Public Library also has an independent audit performed and a copy is available at the Library. The Collingswood Special Improvement District also has an independent audit performed and a copy is available at the Special Improvement District Office. The Borough's component units are listed below:

Collingswood Free Public Library  
771 Haddon Avenue  
Collingswood, New Jersey 08108

Collingswood Special Improvement District  
678 Haddon Avenue  
Collingswood, New Jersey 08108

**B. Description of Funds and Account Groups**

The accounting policies of the Borough of Collingswood conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Collingswood accounts for its transactions through the following separate funds, which differ from the funds required by GAAP.

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

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

**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds and Account Groups (Continued)**

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

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

**Parking Operating and Capital Funds** - Account for the operations to preserve, care for, layout, construct, maintain, improve, and operate lands and facilities used for the provision of public parking and enforcement.

**General Fixed Assets** - To account for fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in Governmental Funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey will follow.

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

**Revenues** - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Expenditures (Continued)** - accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, interfunds are not reserved.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

**Proprietary Fund – Cash Flow Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility funds' financial statements do not include a statement of cash flows.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system.

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

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$5,000.00.

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)** - No depreciation has been provided for in the financial statements. Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

Property and equipment purchased by the Water Utility Fund, Sewer Utility Fund, and Parking Utility Fund is recorded in the respective capital account, at cost, and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital, Sewer Utility Capital and Parking Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The various utilities do not record depreciation on fixed assets.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital, Water Utility Capital, Sewer Utility Capital and Parking Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

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

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

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

**Interest on Delinquent Taxes** - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Interest on Delinquent Taxes (Continued)** - additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

**Capitalization of Interest** - It is the policy of the Borough to treat interest on projects as a current expense and the interest is included in the Operating budgets of the Water Capital Fund, Sewer Capital Fund and Parking Capital Fund.

**D. Comparative Data**

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

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

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will have an effect on the Borough's financial reporting. The impact of this statement on the Borough's financial reporting is not presently determinable.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Borough's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79, "Certain External Investment Pools and Pool Participants." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Borough's financial reporting.

**NOTE 2: BUDGETARY INFORMATION**

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2015 and 2014 statutory budgets included a reserve for uncollected taxes in the amount of \$149,705.14 and \$203,176.97, respectively. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87. The following budget amendments were approved as follows:

Current Fund:

Special Items of Revenue:

Clean Communities	\$ 29,610.35
Police Body Armor	2,604.85
Bulletproof Vest Partnership	1,452.90
Safe Routes to School	241,000.00
Community Development Block Grant	52,100.00
NJ DOT -Dayton Avenue	185,000.00
Assistance to Firefighters	1,538,758.00
Assistance to Firefighters - Shared Service	134,420.20

Water Operating Fund:

Emergency Repair Well #5	75,000.00
	<u>\$ 2,259,946.30</u>

The Water Operating Fund emergency was funded by ordinance prior to the end of the year.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 3: CASH**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2015 and 2014, the carrying amount of the Borough's deposits was \$10,753,108.57 and \$8,177,975.34, respectively. As of December 31, 2015 and 2014, \$0 of the municipality's bank balance of \$11,443,480.64 and \$8,746,536.89, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2015 and 2014, the Borough did not have any investments.

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

**Credit Risk** - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Borough or Bonds or other obligations of the Borough School District, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

**NOTE 5: TAXES COLLECTED IN ADVANCE**

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

	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Prepaid Taxes - Cash Liability	<u>\$ 175,490.20</u>	<u>\$ 142,972.16</u>



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 6: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2015.

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
Land	\$ 784,275.00			\$ 784,275.00
Infrastructure	11,606,964.15	\$ 236,400.00		11,843,364.15
Buildings	26,698,030.92	196,000.00	\$ 2,014,832.74	24,879,198.18
Vehicles	3,948,326.07	102,988.78	250,837.12	3,800,477.73
Equipment	3,379,144.00	436,547.58	10,536.00	3,805,155.58
	<u>\$ 46,416,740.14</u>	<u>\$ 971,936.36</u>	<u>\$ 2,276,205.86</u>	<u>\$ 45,112,470.64</u>

**NOTE 7: ECONOMIC DEPENDENCY**

The Borough of Collingswood is not economically dependent on any one business or industry within the Borough.

**NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2015	2016 Budget Appropriation
Current Fund		
Overexpenditure of Appropriation	\$ 1,539.19	\$ 1,539.19
Parking Utility Operating Fund		
Deficit in Operations	5,521.82	5,521.82
	<u>\$ 7,061.01</u>	<u>\$ 7,061.01</u>

**NOTE 9: FUND BALANCES APPROPRIATED**

	Year	Balance December 31,	Utilized in Budget of Succeeding Year
	2015	\$ 2,328,613.15	a
	2014	1,810,879.36	\$ 450,301.62
Current Fund	2013	1,225,354.47	206,569.74
	2012	884,811.89	149,508.32
	2011	995,143.98	226,168.91

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9: FUND BALANCES APPROPRIATED (CONTINUED)**

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Water Operating Fund	2015	404,833.68	a
	2014	56,765.58	24,308.53
	2013	59,765.58	3,000.00
	2012	70,615.53	38,000.00
	2011	72,210.71	44,485.39
Sewer Operating Fund	2015	393,165.71	a
	2014	249,830.54	92,000.00
	2013	153,140.41	7,573.74
	2012	115,734.05	25,000.00
	2011	64,931.38	30,000.00
Parking Utility	2015	154,950.34	a
	2014	218,150.34	63,200.00
	2013	128,806.51	20,000.00
	2012	170,306.51	41,500.00
	2011	85,931.10	2,510.00

a = The 2016 budget has not been introduced as of the date of the audit.

**NOTE 10: ACCUMULATED ABSENCE BENEFITS**

All employees are granted sick and vacation benefits in varying amounts depending on their length of service with the Borough.

The Borough has entered into a duly negotiated and approved labor agreement with the FMBA #108, FOP Lodge #76, and Teamsters in regards to accumulated absence benefits. The Borough also has local personnel policy that covers all non-union personnel. The Borough has not appropriated anything in their budget to fund a reserve for accumulated absences.

**SICK DAYS:**

**Police Superiors** - Individuals covered under the Police Superiors' Contract may accrue nine (9) sick leave days per year. A Superior Officer may apply his unused accumulated sick leave time to early retirement, or he/she may receive 100% of his accumulated sick leave as additional severance pay.

**Police Officers** - Individuals covered under the Police Officers' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Police Officer will receive all accumulated days.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 10: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

**Fire Officers** - Individuals covered under the Fire Officers' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Fire Officer will receive all accumulated days.

**Firefighters** - Individuals covered under the Firefighters' Association may accrue seven (7) leave days per year. Upon separation, death, or retirement, a Firefighter will receive all accumulated days.

**Teamsters** - Individuals covered under the Teamsters agreement are granted fifteen (15) leave days per year. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back 100% of the employee's accumulated sick days, maximum bank of seventy-five (75) days, at the employee's regular rate of pay. The only exception is if the employee has been dismissed due to any type of disciplinary action. Annually, all employees who have accumulated and maintain fifty (50) sick days shall be entitled to buy back annually those days not used in the calendar year at the following rate: 2015 - 100%.

**Non-Union** - Individuals who are not covered under any of the above agreements are granted fifteen (15) leave days per year. Any amount of sick leave allowance not used in any calendar year shall accumulate to the employee's credit from year to year to a total of no more than fifty (50) days to be used if and when needed for such purpose, except that where an employee is employed by the Borough more than ten years. Annually, all employees who have accumulated and maintain fifty (50) sick days, shall be entitled to buy back annually those days not used in the calendar year at a rate of fifty (50%). Employees have the option to buy all sick days in that calendar year or they may bank them all or do a combination of both. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back fifty (50%) of the employees' accumulated sick days, maximum bank of fifty-five (55) days, at the employee's regular rate of pay.

Borough employees may carry unused vacation days forward one year if due to the "pressure of work." The total value of compensated absences owed to employees; as of December 31, 2015 and 2014; under the various agreements are as follows:

	Value	
	12/31/2015	12/31/2014
FMBA #108	\$ 233,704.29	\$ 208,673.77
FOP Lodge #76	396,374.05	522,304.68
Teamsters	67,448.63	119,026.85
Non-Union	182,024.35	132,088.92
	<u>\$ 879,551.32</u>	<u>\$ 982,094.22</u>

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The interfunds for Animal Control Trust, Tax Sale, General Capital, and Trust Other are the result of interest earned in December but not transferred to Current Fund until January. The Water and Sewer Operating interfunds from the Water and Sewer Capital Funds are the result of interest earned in December but not transferred until January. The Water Operating and

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

Sewer Operating interfunds are the result of payments transferred from Water to Sewer rents however, the cash was not transferred.

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2015.

	Due	
	From	To
Current Fund		
Animal Control Trust	\$ 0.23	
Tax Sale Trust	208.98	
General Capital Fund	336.04	
Federal and State Grant Fund	32,666.90	
Trust Other		\$ 22,501.56
Animal Control Trust Fund		
Current Fund		0.23
Federal and State Grant Fund		
Current Fund		32,666.90
Trust Other		
Current Fund	22,501.56	
Tax Sale Trust		
Water Operating Fund	805.07	
Current Fund		208.98
General Capital Fund		
Current Fund		336.04
Water Capital Fund		
Water Operating Fund		117.05
Water Operating Fund		
Water Capital Fund	117.05	
Tax Sale Trust		805.07
Sewer Operating Fund		13,698.92
Sewer Operating Fund		
Sewer Capital Fund	221.33	
Water Operating Fund	13,698.92	
Sewer Capital Fund		
Sewer Operating Fund		221.33
Parking Utility Capital Fund		
Parking Utility Fund		27.98
Parking Utility Fund		
Parking Utility Capital Fund	27.98	
	<u>\$ 70,584.06</u>	<u>\$ 70,584.06</u>

**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12: NOTES PAYABLE**

As of December 31, 2015, the Borough had the following bond anticipation notes outstanding:

	Amount	Rate	Date
General Capital Fund:			
First Colonial Community Bank	\$ 3,340,000.00	0.9800%	4/22/2016
First Colonial Community Bank	1,615,000.00	0.7900%	4/22/2016
First Colonial Community Bank	85,000.00	0.8500%	8/2/2016
	<u>\$ 5,040,000.00</u>		

It is the intent of the Borough to renew the notes, after a pay down of \$1,145,000.00 and permanently financing \$2,340,000.00 for an additional one year period upon maturity.

**NOTE 13: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-Term Debt as of December 31, 2015, consisted of the following:

	Year		
	2015	2014	2013
Bonds, Notes and Loans Issued	\$ 33,407,558.69	\$ 34,729,199.44	\$ 38,306,222.97
Bonds and Notes Authorized but not Issued	900,932.00	900,932.00	1,077,932.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 34,308,490.69</u>	<u>\$ 35,630,131.44</u>	<u>\$ 39,384,154.97</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

	Balance Dec. 31, 2014	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2015	Due Within One Year
<b>ISSUED:</b>					
General:					
General Serial Bonds	\$ 24,059,000.00		\$ 1,795,000.00	\$ 22,264,000.00	\$ 1,765,000.00
Bond Anticipation Notes	4,090,000.00	\$ 1,615,000.00	665,000.00	5,040,000.00	1,145,000.00
Water:					
Serial Bonds	2,422,500.00		172,000.00	2,250,500.00	209,000.00
NJ Infrastructure Loan	1,556,692.90		72,812.66	1,483,880.24	77,812.66
Sewer:					
Serial Bonds	1,597,500.00		122,000.00	1,475,500.00	147,000.00
NJ Infrastructure Loan	1,013,506.54		119,828.09	893,678.45	126,499.09
Net Debt Issued	<u>34,739,199.44</u>	<u>1,615,000.00</u>	<u>2,946,640.75</u>	<u>33,407,558.69</u>	<u>3,470,311.75</u>
<b>AUTHORIZED BUT NOT ISSUED:</b>					
General:					
Bond Anticipation Notes	178,006.00	1,615,000.00	1,615,000.00	178,006.00	
Water:					
Bond Anticipation Notes	722,926.00			722,926.00	
Sewer:					
Bond Anticipation Notes	None			None	
Authorized but not Issued	<u>900,932.00</u>	<u>1,615,000.00</u>	<u>1,615,000.00</u>	<u>900,932.00</u>	
Total Debt Issued and Authorized but not Issued	<u>\$ 35,640,131.44</u>	<u>\$ 3,230,000.00</u>	<u>\$ 4,561,640.75</u>	<u>\$ 34,308,490.69</u>	

**Permanently Funded Debt Consisted of the Following:**

\$1,050,000.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 9, 2000, payable in semi-annual installments through August 2020. The sewer loan consists of \$530,000.00 trust loan and \$520,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 4%-5.5% per annum. New Jersey Environmental Infrastructure Trust refunded this loan on June 20, 2006, saving the Borough \$25,542.38 in interest costs. These savings are applied as credits to payments. The balance remaining at December 31, 2015, was \$322,542.06.

\$573,513.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 8, 2001, payable in semi-annual installments through August 2021. The sewer loan consists of \$280,000.00 trust loan and \$293,513.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 5%-5.25% per annum. The balance remaining at December 31, 2015, was \$210,826.36.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

**Permanently Funded Debt Consisted of the Following (Continued):**

\$726,000.00 Department of Environmental Infrastructure Loan (NJEIT) dated March 10, 2010, payable in semi-annual installments through August 2029. The loan consists of \$180,000.00 trust loan and \$546,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2015, was \$360,310.03.

\$1,914,314.00 Department of Environmental Infrastructure Loan (NJEIT) dated May 22, 2013, payable in semi-annual installments through August 1, 2032. The water loan consists of \$640,000.00 trust loan and \$1,274,314.00 fund loan. Principal was forgiven on the Fund loan in the amount of \$244,600.00 in 2013. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2015, was \$1,483,880.24.

\$1,300,000.00 CCIA Revenue Bonds dated September 1, 1999, payable in annual installments through September 1, 2019. Interest is paid semi-annually at a rate of 5.85% per annum. The balance remaining as of December 31, 2015, was \$370,000.00.

\$3,537,000.00 General Improvement Bonds tax-exempt dated February 1, 2008, payable in annual installments through February 1, 2021. Interest is paid semi-annually at a rate of 3.5%-4% per annum. The balance remaining as of December 31, 2015, was \$3,537,000.00.

\$4,935,000.00 General Improvement Bonds taxable bonds dated February 1, 2008, payable in annual installments through February 1, 2016. Interest is paid semi-annually at a rate of 5% per annum. The balance remaining as of December 31, 2015, was \$760,000.00.

\$11,153,000.00 General Improvement Bonds dated June 1, 2009, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 4.375%-4.5% per annum. The balance remaining as of December 31, 2015, was \$10,293,000.00.

\$3,224,000.00 General Improvement Bonds taxable bonds dated June 1, 2009, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 6%- 6.25% per annum. The balance remaining as of December 31, 2015, was \$2,664,000.00.

\$3,500,000.00 General Improvement Bonds taxable bonds dated April 15, 2014, payable in annual installments through February 15, 2024. Interest is paid semi-annually at a rate of 2%-3.625% per annum. The balance remaining as of December 31, 2015, was \$3,210,000.00.

\$1,780,000.00 General Obligation Refunding Bonds dated May 15, 2014, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 1.5% to 3% per annum. The balance remaining as of December 31, 2015, was \$1,430,000.00.

\$1,090,000.00 Water Utility Bonds dated October 1, 1998, payable in annual installments through October 1, 2018. Interest is paid semi-annually at a rate of 4.45%-4.55% per annum. The balance remaining as of December 31, 2015, was \$210,000.00.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

**Permanently Funded Debt Consisted of the Following (Continued):**

\$558,000.00 Water Utility Bonds dated December 4, 2002, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 4.3%-5.25% per annum. The balance remaining as of December 31, 2015, was \$248,000.00.

\$2,420,500.00 Water Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2028. Interest is paid semi-annually at a rate of 3.5%-4% per annum. The balance remaining as of December 31, 2015, was \$1,792,500.00.

\$1,135,000.00 Sewer Utility Bonds dated October 1, 1998, payable in annual installments through October 1, 2018. Interest is paid semi-annually at a rate of 4.45%-4.55% per annum. The balance remaining as of December 31, 2015, was \$210,000.00.

\$1,712,500.00 Sewer Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2028. Interest is paid semi-annually at a rate of 3.5%-4% per annum. The balance remaining as of December 31, 2014, was \$1,265,500.00.

As of December 31, 2015, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
2016	\$ 1,765,000.00	\$ 907,366.28	\$ 2,672,366.28
2017	1,834,000.00	838,811.28	2,672,811.28
2018	1,904,000.00	772,406.90	2,676,406.90
2019	1,980,000.00	699,996.90	2,679,996.90
2020	2,054,000.00	618,233.78	2,672,233.78
2021-2025	7,595,000.00	2,005,753.21	9,600,753.21
2026-2029	5,132,000.00	514,497.50	5,646,497.50
	<u>\$ 22,264,000.00</u>	<u>\$ 6,357,065.85</u>	<u>\$ 28,621,065.85</u>



**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
2016	\$ 209,000.00	\$ 89,309.26	\$ 298,309.26
2017	214,000.00	81,011.26	295,011.26
2018	219,000.00	72,136.88	291,136.88
2019	155,000.00	62,832.50	217,832.50
2020	161,000.00	56,483.76	217,483.76
2021-2025	785,000.00	180,272.50	965,272.50
2026-2028	507,500.00	31,070.00	538,570.00
	<u>\$ 2,250,500.00</u>	<u>\$ 573,116.16</u>	<u>\$ 2,823,616.16</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
2016	\$ 147,000.00	\$ 57,426.26	\$ 204,426.26
2017	149,000.00	51,581.26	200,581.26
2018	151,000.00	45,580.63	196,580.63
2019	85,000.00	39,333.75	124,333.75
2020	87,000.00	36,000.00	123,000.00
2021-2024	499,000.00	123,280.00	622,280.00
2025-2028	357,500.00	21,830.00	379,330.00
	<u>\$ 1,475,500.00</u>	<u>\$ 375,031.90</u>	<u>\$ 1,850,531.90</u>

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Water Operating Fund			
2016	\$ 77,812.66	\$ 21,150.00	\$ 98,962.66
2017	77,812.66	20,150.00	97,962.66
2018	82,812.66	19,150.00	101,962.66
2019	82,812.66	17,950.00	100,762.66
2020	82,812.66	16,750.00	99,562.66
2021-2025	429,063.30	64,600.00	493,663.30
2026-2030	464,063.30	31,500.00	495,563.30
2031-2032	186,690.34	4,050.00	190,740.34
	<u>\$ 1,483,880.24</u>	<u>\$ 195,300.00</u>	<u>\$ 1,679,180.24</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Sewer Operating Fund			
2016	\$ 136,499.09	\$ 22,081.26	\$ 158,580.35
2017	134,775.01	18,787.50	153,562.51
2018	141,027.84	15,450.00	156,477.84
2019	139,119.82	11,850.00	150,969.82
2020	137,212.00	8,350.00	145,562.00
2021-2024	155,044.69	16,600.00	171,644.69
2025-2029	50,000.00	5,350.00	55,350.00
	<u>\$ 893,678.45</u>	<u>\$ 98,468.76</u>	<u>\$ 992,147.21</u>

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.666%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 14,650,000.00	\$ 14,650,000.00	
Water Debt	4,457,306.24	4,457,306.24	
Sewer Debt	2,369,178.45	2,369,178.45	
General Debt	27,482,006.00		\$ 27,482,006.00
	<u>\$ 48,958,490.69</u>	<u>\$ 21,476,484.69</u>	<u>\$ 27,482,006.00</u>

Net Debt \$27,482,006.00/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$1,030,826,864.00 = 2.666%.

**Borrowing Power Under NJSA 40:A2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 36,078,940.24
Net Debt	<u>27,482,006.00</u>
Remaining Borrowing Power	<u>\$ 8,596,934.24</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13: LONG-TERM DEBT (CONTINUED)**

**Calculation of "Self-Liquidating Purpose" Water Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents, or Other Charges		\$ 2,458,564.31
Deductions:		
Operating and Maintenance Costs	\$ 1,661,000.00	
Debt Service Per Water Account	361,227.41	
	<u>2,022,227.41</u>	
Excess in Revenue		<u>\$ 436,336.90</u>

**Calculation of "Self-Liquidating Purpose" Sewer Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents, or Other Charges		\$ 2,061,134.57
Deductions:		
Operating and Maintenance Costs	\$ 1,385,000.00	
Debt Service Per Sewer Account	316,099.36	
	<u>1,701,099.36</u>	
Excess in Revenue		<u>\$ 360,035.21</u>

**Calculation of "Self-Liquidating Purpose" Parking Utility Per NJSA 40:2-45**

Cash Receipts From Fees, Rents or Other Charges		\$ 233,885.39
Deductions:		
Operating and Maintenance Costs	\$ 103,200.00	
Debt Service Per Parking Account	None	
	<u>103,200.00</u>	
Excess in Revenue		<u>\$ 130,685.39</u>

**NOTE 14: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Borough are covered by the Public Employees' Retirement System, (PERS), a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time 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 or other state or local jurisdiction.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 14: PENSION FUNDS (CONTINUED)**

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions in law enforcement or firefighting in the State of New Jersey.

**Defined Contribution Retirement Program (DCRP)** - The Borough established Defined Contribution Retirement Program by ordinance on September 2, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP is a cost-sharing, multiple-employer defined contribution pension fund. DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established in NJSA 43:15C-1 et. seq. DCRP provides for employee contributions of 5.5%, of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

**Pension Deferral** - On May 4, 2009, the Borough adopted a resolution requesting approval by the Local Finance Board of pension deferral pursuant to NJSA 43:15A-24(c) and NJSA 43:16A-15(9). This was approved on June 30, 2009, as follows: PERS amount deferred \$99,284.00, and PFRS - Police \$280,692.00 and Fire \$120,301.00, for a total of \$500,277.00. This amount is being repaid starting in April 2012, over a 15 year period through April 2027. The amount will fluctuate based on pension system investments earnings on the deferred amount.

**Funding Policy** -The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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 6.92% to 7.06% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. PFRS provides for employee contributions of 10% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The PERS and PFRS rates in effect for 2015 are 11.92% and 24.32%, respectively, of covered payroll, as reported on June 30, 2013. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Borough's contributions to PERS for the years ending December 31, 2015, 2014, and 2013, were \$307,929.00, \$284,215.00, and \$331,984.16, respectively, equal to the required contributions for each year. The Borough's contributions to PFRS for the years ending December 31, 2015, 2014, and 2013, were \$726,922.00, \$741,740.00, and \$797,939.00, respectively, equal to the required contributions for each year. \$14,156.88 of the PFRS pension was charged to a grant.

The total payroll for the years ending December 31, 2015, 2014, and 2013, was \$6,804,560.61, \$6,552,097.79, and \$6,681,458.91. Covered payroll for PERS was \$2,248,889.00, \$2,363,021.00, and \$2,334,189.00, respectively. Covered payroll for PFRS (Police) was \$1,566,040.00, \$1,624,827.00, and \$1,733,638.00, respectively. Covered payroll for PFRS (Fire) was \$1,160,480.00, \$1,107,559.00, and \$988,043.00, respectively.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 14: PENSION FUNDS (CONTINUED)**

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

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

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

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 14: PENSION FUNDS (CONTINUED)**

is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 and GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

**Public Employee's Retirement System** - At December 31, 2015, the Borough's liability of \$6,291,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Borough's proportion was 0.0336024802% compared to 0.0337235419% at June 30, 2013.

For the year ended December 31, 2015, the Borough's pension expense would be \$350,632 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PERS are from the following sources:

**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 197,832	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 374,927
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		19,545
District Contributions Subsequent to the Measurement Date	307,929	
	<u>\$ 505,761</u>	<u>\$ 394,472</u>

\$307,929 represents deferred outflows of resources related to pensions, resulting from Borough contributions, subsequent to the measurement date (i.e. for the year ending December 31, 2015, the plan measurement date is June 30, 2014) is not recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles:

Year Ended June 30	Amount
2016	\$ (62,252)
2017	(62,252)
2018	(62,252)
2019	(62,252)
2020	36,366
Thereafter	16,002
	<u>\$ (196,640)</u>

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective Deferred Outflows of Resources		\$ 952,194,675
Collective Deferred Inflows of Resources		1,479,224,662
Collective Net Pension Liability	\$ 19,111,986,911	18,722,735,003
 Borough's Proportion	 0.0337235419%	 0.0336024802%

**BOROUGH OF COLLINGSWOOD  
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**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Contributions** - The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The Borough's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% Based on Age
Thereafter	3.15 – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

**Police and Firemen's Retirement System** - The Borough has two separate retirement systems one for police and one for firefighters.

At December 31, 2015, the Borough's liability of \$6,960,449 for its proportionate share of the net pension liability for Police (Location 25801). The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Borough's proportion was 0.0553335655% compared to 0.0615535496% at June 30, 2013.

For the year ended December 31, 2015, the Borough's pension expense would be \$386,440 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:



**BOROUGH OF COLLINGSWOOD**  
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**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 261,319	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 710,290
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		692,873
District Contributions Subsequent to the Measurement Date	467,136	
	<u>\$ 728,455</u>	<u>\$ 1,403,163</u>

\$467,136 represents deferred outflows of resources related to pensions, resulting from Borough contributions, subsequent to the measurement date (i.e. for the year ending December 31, 2015, the plan measurement date is June 30, 2014) is not recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles:

Year Ended June 30,	Amount
2016	\$ (300,245)
2017	(300,245)
2018	(300,245)
2019	(300,245)
2020	50,545
Thereafter	8,591
	<u>\$ (1,141,844)</u>

Additional information – Collective balances at June 30, 2013 and 2014, are as follows:

	June 30, 2013	June 30, 2014
Collective Deferred Outflows of Resources		\$ 750,532,959
Collective Deferred Inflows of Resources		1,561,923,934
Collective Net Pension Liability	\$ 13,294,097,604	12,579,072,492
 Borough's Proportion	 0.0615535496%	 0.0553335655%

At December 31, 2015, the Borough has a liability of \$3,958,891 for its proportionate share of the net pension liability for Fire (Location 25802). The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was

**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Borough's proportion was 0.0314720395% compared to 0.0320241402% at June 30, 2013.

For the year ended December 31, 2015, the Borough's pension expense would be \$260,160 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 148,630	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 403,991
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions		61,501
District Contributions Subsequent to the Measurement Date	259,786	
	<u>\$ 408,416</u>	<u>\$ 465,492</u>

\$259,786 represents deferred outflows of resources related to pensions, resulting from Borough contributions, subsequent to the measurement date (i.e. for the year ending December 31, 2015, the plan measurement date is June 30, 2014) is not recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles:

Year Ended June 30,	Amount
2016	\$ (87,624)
2017	(87,624)
2018	(87,624)
2019	(87,624)
2020	28,749
Thereafter	4,885
	<u>\$ (316,862)</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 15: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

	June 30, 2013	June 30, 2014
Collective Deferred Outflows of Resources		\$ 750,532,959
Collective Deferred Inflows of Resources		1,561,923,934
Collective Net Pension Liability	\$ 13,294,097,604	12,579,072,492
 Borough's Proportion	 0.0320241402%	 0.0314720395%

**Contributions**

The contribution policy for PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The Borough's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	3.95 – 8.62% Based on Age
Thereafter	4.95 – 9.62% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2014 and June 30, 2013, special funding situation net pension liability amounts of \$749,523 and \$762,754 for Police and \$396,834 and \$426,306 for Fire, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 16: POST-RETIREMENT BENEFITS**

**Plan Description** - The Borough of Collingswood contributes 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 NJSA 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 2013, the Borough of Collingswood authorized participation in the SHBP's post-retirement benefit program through resolution 2013-83, adopted May 6, 2013, effective August 1, 2013. The Borough's policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit. The Borough also offers vision and dental coverage to the retirees and their spouses.

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 or by visiting their website at <http://www.state.nj.us/treasury/pensions/shbp.htm>.

**Plan Coverage** - The Borough currently has 5 collective bargaining units as well as numerous non-union employees. The employee's post-employment benefits are dependent upon the collective bargaining unit to which they are a member as the year of retirement. The benefits by collective bargaining unit are:

FOP Lodge #76 (Superior Officers) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

FOP Lodge #76 (Rank and File) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

FMBA Local #108 (Superior Officers) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

FMBA Local #108 (Rank and File) - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

Teamsters Local #830 - upon completion of 25 years of service the employee receives 100% coverage for themselves and 100% coverage for spouse.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 16: POST-RETIREMENT BENEFITS (CONTINUED)**

**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 the Borough of Collingswood on a monthly basis. Plan members receiving benefits are not required to make contributions.

The Borough of Collingswood's contributions to SHBP for healthcare of employees and retirees for the years ended December 31, 2015, 2014, and 2013, were \$2,307,655.14, \$2,162,690.54, and \$932,783.53. The amounts paid for retirees for the years ended December 31, 2015, 2014, and 2013, were \$897,986.38, \$767,516.39, and \$262,651.73, respectively, which equaled the required contributions for each year. There were approximately fifty, fifty, and forty-four participants eligible at December 31, 2015, 2014, and 2013, respectively.

In previous years the Borough's retirees were covered under AmeriHealth. The amounts paid for retirees for the years ended December 31, 2015, 2014, and 2013, were \$0, \$0, and \$553,500.56, respectively, which equaled the required contributions for each year. There were approximately zero participants eligible at December 31, 2015, 2014, and 2013, respectively.

**NOTE 17: RISK MANAGEMENT**

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability, and surety bonds. The Borough of Collingswood is a member of the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Camden County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Borough did not incur any claims in excess of coverage amounts, and the amount of coverage did not significantly reduce during the year 2015.

**New Jersey Unemployment Compensation Insurance**

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

**BOROUGH OF COLLINGSWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 17: RISK MANAGEMENT (CONTINUED)**

Year	Interest Earnings	Employee Contributions	Employer Contribution	Amount Reimbursed	Balance Dec. 31
2015	103.87	\$ 10,190.57		\$ 19,358.32	\$ 34,786.85
2014	37.63	9954.32		24140.73	43,850.73
2013	26.06	10065.93		619.04	57,999.51

**NOTE 18: LABOR CONTRACTS**

As of December 31, 2015, the majority of the Borough's employees are organized in the following collective bargaining units. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Teamsters Local 830	Public Works, Clerical	12/31/2016	All Employees in Public Works and Clerical Workers Excluding Supervisors
FOP Lodge #76	Police	12/31/2015	All Uniformed Police Excluding Officers
FOP Lodge #76	Police	12/31/2015	Superior Officers
FMBA Local 108	Fire	12/31/2015	All Uniformed Fire Fighters Excluding Officers
FMBA Local 108A	Fire	12/31/2015	Fire Officers

**NOTE 19: DEFERRED COMPENSATION**

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Borough has an obligation of due care in selecting the third party administrators. In the opinion of the Borough's legal counsel, the Borough has acted in a prudent manner in selecting the administrators of Variable Annual Life Insurance Company and Nationwide Retirement Solutions, and is not liable for losses that may arise from the administration of the plan.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 20: JOINT VENTURE/SHARED SERVICES**

The Borough of Collingswood entered into a joint venture agreement with the Borough of Oaklyn to provide construction code services for electrical and plumbing. The agreement with Oaklyn was approved on May 3, 2010.

On November 6, 2007, the Borough of Collingswood entered into a joint venture agreement with the Haddon Borough Fire District #2 to provide fire protection services, effective January 1, 2008. Total expenditures for compensation and benefits are billed annually at an agreed upon amount. The Borough also provides fire code services to the Borough of Oaklyn.

**NOTE 21: TAX ABATEMENT PROGRAM**

The tax abatement program was established to encourage commercial and industrial development in the Borough. The various abatements include; Pewter Village, Parkview, Volunteers of America, Methodist Home, Zane School, Tedeschi, and Lumberyard. Lumberyard is a five year program where real estate taxes on the approved buildings are abated and payments are made in lieu. Specific qualifications for properties are delineated in the Code Book of the Borough. Qualifying properties are tax exempt until the project is complete. Once completed, the taxpayer pays no tax in the first year after completion. Beginning in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years. The Borough also has long-term programs in accordance with the Local Redevelopment and Housing Law and the Long-Term Exemption Law, codified at NJSA 40A:20-1 et seq. During the 2015 and 2014 calendar years, the tax abatement program generated \$1,248,624.13 and \$1,109,434.24, respectively, in revenue for the Borough.

**NOTE 22: CAPITAL LEASE OBLIGATIONS**

The Borough has lease agreements in effect at December 31, 2015, for police cars which are funded by Ford Motor Credit at an interest rate of 6%. Future minimum lease payments under capital lease agreements are as follows:

Year Ended December	Principal	Interest	Total
2016	\$ 45,465.24	\$ 2,809.72	\$ 48,274.96
2017	24,057.07	1,443.47	25,500.54
	<u>\$ 69,522.31</u>	<u>\$ 4,253.19</u>	<u>\$ 73,775.50</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 23: OPERATING LEASES**

The Borough has commitments to lease copiers dated December 8, 2014, and February 13, 2015 with terms of 36 months. The monthly lease payment is \$133.00 and \$84.00 per month. Future lease payments are as follows:

Year Ended December	Payments
2016	\$ 2,604.00
2017	2,471.00
2018	84.00
	\$ 5,159.00

**NOTE 24: LOAN TO REDEVELOPER**

On August 4, 2003, the Borough of Collingswood adopted Bond Ordinance 1322 providing for a \$5,000,000.00 loan to a redeveloper, Collingswood Foundation for the Arts, for improvements to Scottish Rite Auditorium pursuant to Section 37 of the Local Redevelopment and Housing Law NJSA 40A:12A-1 et. seq. This loan was to the Collingswood Foundation for the Arts, a New Jersey non-profit corporation, for the purpose of renovations of the Scottish Rite Auditorium as a performing arts and community theater center. The amount owed to the Borough of Collingswood as of December 31, 2015 and 2014, is \$4,992,466.33. No payment plan has been established as of the date of the audit.

In 2010, the Borough of Collingswood authorized debt with the passage of Bond Ordinances 1480 and 1486, which provides funding for the Lumberyard Redevelopment Project pursuant to the Local Redevelopment & Housing Law, constituting Chapter 79 of the Laws of 1992 as amended and supplemented by NJSA 40A:12-37. This loan was to the Lumberyard Redevelopment LLC, for the purpose of renovations of the Lumberyard Project. As of December 31, 2015 and 2014, there is a Loan Receivable in the General Capital Fund from Lumberyard Redevelopment LLC, for \$1,300,000.00.

On July 24, 2015, the Borough of Collingswood under a Redeveloper Agreement provided for a Mortgage Note to a redeveloper, 741 Haddon Avenue LLC, for improvements to property as a food market. This mortgage is for \$200,000.00 at 1% per annum with a due date of July 24, 2016. The mortgage owed to the Borough of Collingswood as of December 31, 2015 is \$200,000.00.

**NOTE 25: GUARANTEE OF THIRD PARTY INDEBTEDNESS (NJSA 40A:12A-67(f))**

**Collingswood Partners, Inc.**

The Borough of Collingswood is contingently liable as a guarantor for Collingswood Partners Inc., a Special Improvement District (NJSA 40:56 et. seq.); with respect to the New Jersey Department of Community Affairs program Downtown Business Improvement Loan Fund in an amount not exceeding \$500,000.00. This is a fifteen year loan at 0% interest. This loan was for funding of the Lumberyard project. The Borough paid \$33,333.00 during 2015 and 2014 towards the loan. The loan balance at December 31, 2015 and 2014, is \$235,334.00 and \$268,667.00, respectively.



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 26: SUBSEQUENT EVENTS**

On February 1, 2016, the Board of Commissioners introduced a bond ordinance authorizing up to \$18,100,000.00 to advance refund bonds in the amount of \$15,827,000.00. It is anticipated that the bonds will close by the end of April 2016.

Management has reviewed and evaluated all event and transactions that occurred between December 31, 2015 and March 2, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no additional items have come to the attention of the Borough that would require disclosure.

**NOTE 27: CONTINGENCIES**

The Borough participates in federal and state assistance grant programs. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Borough of Collingswood Counsel's opinion there is not any litigation or contingent liability that may be pending against the Borough of Collingswood that would have an adverse effect on the financial position in the future.

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## **APPENDIX C**

### **FORM OF BOND COUNSEL OPINIONS**

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April 27, 2016

Board of Commissioners  
of the Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey

**RE: \$13,095,000 BOROUGH OF COLLINGSWOOD, COUNTY OF CAMDEN,  
NEW JERSEY, GENERAL OBLIGATION REFUNDING BONDS, SERIES  
2016**

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Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations, consisting of: (i) \$10,425,000 aggregate principal amount of General Improvement Refunding Bonds; and (ii) \$2,670,000 Water/Sewer Utility Refunding Bonds ("Refunding Bonds"), by the Borough of Collingswood, in the County of Camden, New Jersey ("Borough").

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Board of Commissioners on March 7, 2016 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Board of Commissioners on March 7, 2016 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) currently refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 1998A, maturing October 1 in the years 2016 through 2018, both dates inclusive; (ii) advance refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 2008, maturing February 1 in the years 2019 through 2028, both dates inclusive; (iii) advance refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (iv) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on June 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on June 1 and December 1, commencing June 1, 2016, in each year until maturity or earlier redemption.



<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Total</u>	<u>Interest Rate</u>	<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Total</u>	<u>Interest Rate</u>
2016	\$115,000	\$125,000	\$240,000	2.00%	2023	\$685,000	\$220,000	\$905,000	5.00%
2017	0	125,000	125,000	3.00	2024	820,000	230,000	1,050,000	4.00
2018	0	125,000	125,000	3.00	2025	865,000	245,000	1,110,000	5.00
2019	660,000	185,000	845,000	4.00	2026	910,000	255,000	1,165,000	5.00
2020	1,295,000	190,000	1,485,000	5.00	2027	960,000	275,000	1,235,000	5.00
2021	1,340,000	200,000	1,540,000	4.00	2028	1,010,000	285,000	1,295,000	4.00
2022	705,000	210,000	915,000	4.00	2029	1,060,000	0	1,060,000	4.00

The Refunding Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to maturity on the terms and conditions stated therein.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Refunding Bond Ordinance, the Resolution, a certification of officials of the Borough having the responsibility for issuing the Refunding Bonds given pursuant to the Code ("Non-Arbitrage Certificate") and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Refunding Bonds.

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

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

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

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

3. Interest on the Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and is not a specific item of tax preference item under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of (i) the



"adjusted current earnings" of a corporation over (ii) the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on tax-exempt obligations, including the Refunding Bonds, is not excludable in calculating certain corporation's "adjusted current earnings". Accordingly, a portion of the interest on the Refunding Bonds received or accrued by a corporation that owns the Refunding Bonds is included in computing such corporation's alternative minimum taxable income for such year.

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

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

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

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



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

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

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

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

In providing the opinion expressed in paragraph 3 above, we have relied upon the written report provided by Petroni & Associates, LLC, Glassboro, New Jersey, certified public accountants, regarding the computation of the yield on the Refunding Bonds and certain investments made with the proceeds thereof.

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

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

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

Very truly yours,





April 27, 2016

Board of Commissioners  
of the Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey

**RE: \$2,525,000 BOROUGH OF COLLINGSWOOD, COUNTY OF CAMDEN,  
NEW JERSEY, TAXABLE GENERAL OBLIGATION REFUNDING  
BONDS, SERIES 2016**

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Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Refunding Bonds") by the Borough of Collingswood, County of Camden, New Jersey ("Borough").

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Board of Commissioners on March 7, 2016 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Board of Commissioners on March 7, 2016 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) advance refund and redeem all of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2009, maturing June 1 in the years 2020 through 2029, both dates inclusive; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on June 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on June 1 and December 1, commencing June 1, 2016, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$80,000	0.724%	2022	\$210,000	2.376%
2017	45,000	1.024	2023	220,000	2.626
2018	45,000	1.354	2024	225,000	2.816
2019	50,000	1.601	2025	230,000	2.966
2020	205,000	1.864	2026	235,000	3.116
2021	205,000	2.114	2029	775,000	3.616

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**

Mount Laurel, New Jersey | Hamilton, New Jersey | Atlantic City, New Jersey

The Refunding Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to maturity on the terms and conditions stated therein.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Refunding Bond Ordinance, the Resolution and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Refunding Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined.

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

1. The Refunding Bonds are legal, valid and binding obligations of the Borough enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
2. For the payment of principal of and interest on the Refunding Bonds, the Borough has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Borough without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
3. Interest on the Refunding Bonds will be includible for federal income tax purposes in the gross income of the owners thereof.
4. Interest on the Refunding Bonds and any gain from the sale thereof are not includible in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

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

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

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

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

Very truly yours,

## **APPENDIX D**

### **FORM OF CONTINUING DISCLOSURE STATEMENTS**

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## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this 27th day of April, 2016 by and between the Borough of Collingswood, County of Camden, New Jersey ("Borough") and Phoenix Advisors, LLC, Bordentown, New Jersey ("Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Refunding Bonds, Series 2016, in the aggregate principal amount of \$13,095,000, consisting of: (i) \$10,425,000 aggregate principal amount of General Improvement Refunding Bonds; and (ii) \$2,670,000 Water/Sewer Utility Refunding Bonds ("Refunding Bonds").

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

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

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

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

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

**"EMMA"** shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Refunding Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

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

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

**"SEC Release"** shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

**SECTION 3. Provision of Annual Report.**

(a) The Borough shall not later than 210 days after the end of its fiscal year (currently December 31) during which any of the Refunding Bonds remain Outstanding provide to the Dissemination Agent the Borough's Annual Report prepared for the preceding fiscal year of the Borough. Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

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

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

**SECTION 4. Contents of Annual Report.** Annual Report shall mean: (i) the Borough's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, dated April 13, 2016, audited by an independent certified public accountant, provided that the annual audited financial statements of the Borough may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Borough are included in the Annual Report; and (ii) the general financial information and operating data of the Borough consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the New Jersey Department of Education as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

**SECTION 5. Reporting of Significant Events.**

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

- (1) principal and interest payment delinquencies;

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

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

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

**SECTION 6. Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Refunding Bonds or when the Borough is no longer an Obligated Person (as defined in the Rule) with respect to the Refunding Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borough and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borough, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the

primary offering of the Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of Refunding Bondholders. The Borough shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

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

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

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Borough:

Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108

(ii) If to the Dissemination Agent:

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, New Jersey 08505  
Attention: Sherry L. Tracey, Managing Director

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



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

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

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

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

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

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

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

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

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

**BOROUGH OF COLLINGSWOOD, NEW JERSEY**

By: \_\_\_\_\_  
**ELIZABETH PIGLIACELLI,**  
Chief Financial Officer

**PHOENIX ADVISORS, LLC,**  
as Dissemination Agent

By: \_\_\_\_\_  
**SHERRY L. TRACEY, Managing Director**

**EXHIBIT A**

**NOTICE TO THE NATIONAL REPOSITORY OF  
FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: Borough of Collingswood, County of Camden, New Jersey

Name of Bond Issues Affected: \$13,095,000 General Obligation Refunding Bonds, Series 2016

Date of Issuance of the Affected Bond Issue: April 27, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Refunding Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated April 27, 2016, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_].

Dated:

**PHOENIX ADVISORS, LLC,  
Dissemination Agent**

cc: Borough

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this 27th day of April, 2016 by and between the Borough of Collingswood, County of Camden, New Jersey ("Borough") and Phoenix Advisors, LLC, Bordentown, New Jersey ("Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its Taxable General Obligation Refunding Bonds, Series 2016, in the aggregate principal amount of \$2,525,000 ("Refunding Bonds").

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

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

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

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

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

**"EMMA"** shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Refunding Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

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

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

**"SEC Release"** shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

### **SECTION 3. Provision of Annual Report.**

(a) The Borough shall not later than 210 days after the end of its fiscal year (currently December 31) during which any of the Refunding Bonds remain Outstanding provide to the Dissemination Agent the Borough's Annual Report prepared for the preceding fiscal year of the Borough. Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

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

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

**SECTION 4. Contents of Annual Report.** Annual Report shall mean: (i) the Borough's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, dated April 13, 2016, audited by an independent certified public accountant, provided that the annual audited financial statements of the Borough may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Borough are included in the Annual Report; and (ii) the general financial information and operating data of the Borough consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the New Jersey Department of Education as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

### **SECTION 5. Reporting of Significant Events.**

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

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

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

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

**SECTION 6. Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Refunding Bonds or when the Borough is no longer an Obligated Person (as defined in the Rule) with respect to the Refunding Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borough and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borough, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or

waiver does not materially impair the interests of Refunding Bondholders. The Borough shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

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

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

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Borough:

Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108

- (ii) If to the Dissemination Agent:

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, New Jersey 08505  
Attention: Sherry L. Tracey, Managing Director

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF COLLINGSWOOD, NEW JERSEY**

By: \_\_\_\_\_  
**ELIZABETH PIGLIACELLI,**  
Chief Financial Officer

**PHOENIX ADVISORS, LLC,**  
as Dissemination Agent

By: \_\_\_\_\_  
**SHERRY L. TRACEY, Managing Director**

**EXHIBIT A**

**NOTICE TO THE NATIONAL REPOSITORY OF  
FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: Borough of Collingswood, County of Camden, New Jersey

Name of Bond Issues Affected: \$2,525,000 Taxable General Obligation Refunding Bonds,  
Series 2016

Date of Issuance of the Affected Bond Issue: April 27, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Refunding Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated April 27, 2016, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_].

Dated:

**PHOENIX ADVISORS, LLC,  
Dissemination Agent**

cc: Borough