

OFFICIAL STATEMENT DATED APRIL 27, 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 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 Bonds, the interest thereon is not excludable in computing the alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". In addition, interest on the 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. Interest on the Bonds and any gain from the sale thereof is not includable in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$1,680,000
BOROUGH OF SWEDESBORO
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2016
(Bank Qualified) (Callable)

Dated: Date of Delivery**Due: May 1, as shown below**

The Borough of Swedesboro, County of Gloucester, New Jersey ("Borough") is offering \$1,680,000 aggregate principal amount of its General Obligation Bonds, Series 2016 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Borough or the Borough's hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on May 1 and November 1 ("Interest Payment Dates"), commencing May 1, 2017, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions stated herein.

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

The 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) Bond Ordinances 13-2009; 11-2010; 6-2012; 8-2012; 1-2013; 11-2013; 7-2014; and 3-2016, each duly and finally adopted by the Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on April 4, 2016; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on April 27, 2016.

The Bonds are being issued by the Borough to provide funds which will be used to: (i) permanently finance the costs of various capital improvements by the repayment, at maturity, of the principal of certain bond anticipation notes heretofore issued by the Borough; (ii) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

MATURITY SCHEDULE, INTEREST RATE AND YIELDS

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2017	\$75,000	1.500%	0.800%	2024	\$140,000	2.000%	1.750%
2018	100,000	1.500	0.900	2025	145,000	2.000	1.900
2019	110,000	2.000	1.050	2026	150,000	2.000	2.000
2020	120,000	2.000	1.200	2027	150,000	2.000	2.100
2021	125,000	2.000	1.350	2028	150,000	2.125	2.200
2022	130,000	2.000	1.500	2029	150,000	2.250	2.300
2023	135,000	2.000	1.650				

This cover 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 of an informed investment decision.

The 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, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Solicitor, John Armano, Esquire of the law firm of Trimble & Armano, Turnersville, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Financial Advisor to the Borough in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about May 3, 2016.

BOROUGH OF SWEDESBORO
County of Gloucester, New Jersey

Elected Officials

Thomas Fromm	Mayor
Salvatore "Sam" Casella	Council President
Diane Hale	Councilmember
George Weeks	Councilmember
David Flaherty	Councilmember
Joanna Gahrs	Councilmember
Alice O'Blennis	Councilmember

Chief Financial Officer
Elizabeth Pigliacelli

Borough Clerk
Tanya Goodwin

Solicitor
Trimble & Armano
Turnersville, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Parker McCay P.A.
Mount Laurel, New Jersey

Financial Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey

The information which is set forth herein has been provided by the Borough of Swedesboro, County of Gloucester, New Jersey ("Borough"), The Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the Borough, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Borough. Certain general and financial information concerning the Borough is contained in Appendix "A" to this Official Statement. Such information has been furnished by the Borough.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No broker, dealer, salesperson or other person has been authorized by the Borough to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Borough. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by any 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 any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, bond ordinances, 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 inspected at the office of the Borough Clerk during normal business hours.

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

Upon issuance, the 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 will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 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.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORIZATION FOR THE BONDS	1
PURPOSE OF THE ISSUE	1
DESCRIPTION OF THE BONDS	2
General	2
Redemption Provisions	3
Notice of Redemption.....	3
Book-Entry-Only System	4
Discontinuance of Book-Entry-Only System	6
SECURITY FOR THE BONDS	7
GENERAL INFORMATION REGARDING THE BOROUGH	7
General	7
Financial.....	7
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT	7
Local Bond Law.....	7
Local Fiscal Affairs Law	9
Local Budget Law.....	9
Miscellaneous Revenues	11
Real Estate Taxes	11
Deferral of Current Expenses.....	12
Budget Transfers.....	12
Capital Budget.....	12
Operation of Utility.....	12
Related Constitutional and Statutory Provisions	13
The Municipal Finance Commission	13
Limitation of Remedies Under Federal Bankruptcy Code	14
TAXATION	15
Procedure for Assessment and Collection of Taxes	15
Tax Appeals	15
TAX MATTERS.....	15
Federal	15
New Jersey	17
Changes in Federal and State Tax Law	17
LITIGATION	18
RATING	18
PREPARATION OF OFFICIAL STATEMENT	18
UNDERWRITING.....	19
LEGALITY FOR INVESTMENT	19
NO DEFAULT	19
FINANCIAL ADVISOR	20
CONTINUING DISCLOSURE	20
LEGAL MATTERS	20
ADDITIONAL INFORMATION	21
APPENDIX A: CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE BOROUGH OF SWEDESBORO	
APPENDIX B: EXCERPTS FROM THE FINANCIAL STATEMENTS OF THE BOROUGH OF SWEDESBORO	
APPENDIX C: FORM OF BOND COUNSEL OPINION	
APPENDIX D: FORM OF CONTINUING DISCLOSURE AGREEMENT	

OFFICIAL STATEMENT

\$1,680,000
BOROUGH OF SWEDESBORO
County of Gloucester, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2016
(Bank Qualified) (Callable)

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices attached hereto, is to provide certain information relating to the issuance by the Borough of Swedesboro, County of Gloucester, New Jersey ("Borough") of its \$1,680,000 aggregate principal amount of its General Obligation Bonds, Series 2016 ("Bonds").

AUTHORIZATION FOR THE BONDS

The 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 ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 13-2009; 11-2010; 6-2012; 8-2012; 1-2013; 11-2013; 7-2014; and 3-2016 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Borough Council and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Borough Council on April 4, 2016; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on April 27, 2016.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Borough to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Borough, all as more particularly described in the table below ("Notes"); (ii) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued, all as more particularly described in the table below; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

Bond Ordinance	Purpose	Amount of Bonds/ Notes Authorized	Amount of Notes Outstanding	Amount of Bonds to be Issued
O-13-2009	Acquisition of Various Equipment; Completion of Various Capital Improvements	\$1,577,000	\$309,855	\$309,750
O-11-2010	Improvements to Municipal Library	142,500	122,500	122,500
O-6-2012	Acquisition of Various Equipment; Completion of Various Capital Improvements	1,016,500	916,500	916,500
O-8-2012	Acquisition of Computer Equipment	23,000	20,000	20,000
O-1-2013	Acquisition of Automated Recycling/Refuse Carts	50,000	33,000	33,000
O-11-2013	Resurfacing of Allen Street	60,000	60,000	60,000
O-7-2014	Reconstruction of Third Street	52,000	52,000	52,000
O-3-2016	Acquisition of Various Equipment; Completion of Various Capital Improvements	166,250	0	166,250
TOTAL		\$3,087,250	\$1,513,855	\$1,680,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$1,680,000. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the front cover hereof. Interest on the Bonds is payable semi-annually on May 1 and November 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing May 1, 2017, in each year until maturity or earlier redemption. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on May 1 in the years and in the principal amounts, all as shown on the front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Borough or

the Borough's hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such 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 preceding an Interest Payment Date (each a "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 Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the Borough or its hereafter designated paying agent, if any.

Redemption Provisions

The Bonds maturing prior to May 1, 2025 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on and after May 1, 2025 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 May 1, 2024 at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last known address, if any, appearing on the registration books of the Borough. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC and not be sent to the Beneficial Owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any Participant or any failure of a Participant to notify any Beneficial Owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bonds or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms is hereinafter defined), confirmation and transfer of beneficial ownership interests in the 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.

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

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will

¹ Source: The Depository Trust Company

not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices, if any, shall be sent to DTC. If less than all of the 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 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 applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Borough or its 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 Bonds at any time by giving reasonable notice to the Borough or its hereafter designated paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but neither the Borough nor the Underwriters (as hereinafter defined) take any 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 THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE HEADING "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 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 Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and 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 the Bonds may be registered on the books maintained by the Borough or its hereafter designated paying agent, if any, for such purposes 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 or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of the 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 for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the

Bonds. In such event, interest on the 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.

SECURITY FOR THE BONDS

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

The Borough may pledge only its own credit and taxing power in respect of the Bonds, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the 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 or interest on the Bonds.

GENERAL INFORMATION REGARDING THE BOROUGH

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" to this Official Statement contains (a) compiled financial statements of the Borough for the year ended December 31, 2015 and (b) audited financial statements of the Borough for the years ending December 31, 2014, 2013, 2012, 2011 and 2010. The compiled and audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete 2015 Annual Financial Statement (unaudited) and Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

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 (3.50%) 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 Bonds, will not exceed its three and one half percent (3.50%) debt limit.

Exceptions to Debt Limits – Extensions of Credit - The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or 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.

Bonds – Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding 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 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 local unit 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 local unit'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 Annual Compiled Financial Statement for the year ended December 31, 2015 and the Annual Audit for the year ended December 31, 2014 are 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 local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

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 their 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 local unit 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 Bonds. The Cap Law provides that a local unit 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 (S-29R1), which, among other things, imposes a two percent (2.00%) 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 (2.00%) 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 two percent (2.00%); (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 two percent (2.00%) 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 (2.00%) 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 (2.00%) 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 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 [D]irector 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 local unit is subject to local examination.

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3.00%) 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.

Operation of Utility

The Borough's water and sewer utility is supported by user fees and other 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.

The Municipal Finance Commission

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State's Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the "Funding Commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the 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 local unit'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 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. This method assures equitable treatment to like property owners. The last reassessment of property within the Borough was for the 2015 tax year.

Upon the filing of certified adopted budgets by the Borough, the local school district, the regional school district and the County of Gloucester ("County"), 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 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. 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.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough ("Bond Counsel"), assuming continuing compliance by the Borough with

the tax covenants described below, under existing law, interest on the 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 Bonds is included in computing a corporation's "adjusted current earnings." Accordingly, a portion of the interest on the 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 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 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 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 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 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 Bonds that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the 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, 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 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 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 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 designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the 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.

New Jersey

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the 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 Bonds.

PROSPECTIVE PURCHASERS OF THE 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 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.

LITIGATION

To the knowledge of the Borough's Solicitor, John Armano, Esq. of the law firm of Trimble & Armano, Turnersville, New Jersey ("Solicitor"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Borough if adversely decided.

RATING

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("Rating Agency") has assigned a rating of "AA-" to the Bonds, based upon the creditworthiness of the Borough.

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

PREPARATION OF OFFICIAL STATEMENT

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

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

Bond Counsel 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.

Bowman & Company LLP, Voorhees, New Jersey, compiled this Official Statement from information obtained from Borough management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information. Bowman & Company LLP does take responsibility for the compiled and audited financial statements, appearing in Appendix "B" hereto, to the extent specified in the Independent Accountant's Compilation Report and the Independent Auditor's Report.

UNDERWRITING

The Bonds have been purchased from the Borough at a public sale by Robert W. Baird & Co., Inc., as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated April 27, 2016. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing bonds and notes into investment trusts) at yields higher than the public offering yield or prices set forth on the front cover page of this Official Statement, and such public offering yields or prices may be changed, from time to time, by the Underwriter without prior notice.

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 and notes of the Borough, including the Bonds, and such bonds and notes are authorized security for any and all public deposits.

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 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.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Borough will, prior to the issuance of the Bonds, enter into a Continuing Disclosure Agreement in the form attached as Appendix "D" to this Official Statement.

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, 2012 and 2013; (ii) audited financial information for the fiscal years ending December 31, 2010, 2011, 2012 and 2013; and (iii) its most current adopted budget for the years ending December 31, 2011, 2012, 2013 and 2014. 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; and (ii) operating data. Such notices of material events and late filings have since been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA"). The Borough appointed Phoenix Advisors, LLC in September of 2014 to serve as continuing disclosure agent.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Bond Counsel. Such opinion substantially in the form set forth in Appendix "C" hereto, will accompany the Bonds and provide, *inter alia*, that the Bonds are valid and binding obligations of the Borough, and the Borough has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Borough without limitation as to rate or amount for the payment of the Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Borough by its 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 specifically stated herein) and will express no opinion relating thereto.

The legal opinions to be delivered concurrently with the delivery of the 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.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Elizabeth Pigliacelli, Chief Financial Officer, Borough of Swedesboro at (856) 467-0202.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Bonds. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

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

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

BOROUGH OF SWEDESBORO, NEW JERSEY

By: /s/ ELIZABETH PIGLIACELLI
ELIZABETH PIGLIACELLI,
Chief Financial Officer

Dated: April 27, 2016

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING
THE BOROUGH OF SWEDESBORO,
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

GENERAL INFORMATION ON THE BOROUGH

History

In 1638, a small group of people from Sweden landed at a site in Delaware now known as Wilmington. Three years later in 1641, Peter Hollander Ridder, the second governor of New Sweden, as the settlement in the Delaware Valley was called, purchased from the Indians the entire eastern side of the Delaware River from Raccoon Creek southward to Cape May. The first settlement by the Swedes was on the bank of the Raccoon Creek the following year. The community was first named Rackoon and later Swedesborough. The Borough of Swedesboro ("Borough") was formed as a Borough by an Act of the New Jersey Legislature on April 9, 1902, from portions of the Township of Woolwich.

Location

The Borough is located in the central part of Gloucester County, New Jersey, approximately twenty-five (25) miles south-east of Philadelphia, Pennsylvania, approximately fifty (50) miles west of Atlantic City and one hundred (100) miles south of New York City. The Borough is a separate governmental entity, .77 square miles in size, and is completely surrounded to the North, South, East and West by the Township of Woolwich.

Borough Government

The Borough is governed under the borough form of New Jersey municipal government. The government consists of a Mayor and a Borough Council comprising of six council members, with all positions elected at large.

The Mayor is elected by the voters to a four-year term of office. The Borough Council is elected to serve three year terms on a staggered basis, with two seats coming up for election each year.

The daily operations of the Borough are supervised by the Borough Clerk who also serves as the Business Administrator of the Borough. The Borough also employs a part time Chief Financial Officer who oversees the financial operations of the Borough. To assist the Borough Clerk and Chief Financial Officer, the Borough also employs a Tax Collector and several other support personnel.

Transportation

Numerous major thorofares provide easy access to the Borough. Interstate 295 and the New Jersey Turnpike both exit in and around the Borough. State highways 551 and 538 bisect the Borough.

Water and Sewer

Water and sewer facilities are Borough owned, and managed by a Committee of the Borough Council.

Police

Police coverage is provided by the Woolwich Township Police Department through an inter-local services agreement between the Borough and Township.

Fire Protection and Ambulance Services

Fire protection is provided through a consolidated fire company which serves the Borough and Township of Woolwich. The consolidated fire company operates two stations, which are located in the Borough and the Township. The consolidated fire company is an all volunteer organization that is equipped with modern firefighting apparatus.

There is twenty-four hour ambulance service provided through the Gloucester County EMS Program.

Public Works

The Borough also maintains a full service Public Works Department. The Public Works Department is responsible for water and sewer operation and the maintenance and repair of local roads and recreational areas.

Library

Swedesboro Public Library is one of the oldest libraries in New Jersey, established in 1783 and incorporated in 1937. The library was originally housed at the Trinity Episcopal Church. After several moves, the library settled into its current location, the Swedesboro Trust Company building which was donated by Edgar Hurff, in October of 1944. The Swedesboro Public Library became a branch of Gloucester County Library System in 2005.

The Swedesboro Branch Library is located at 1442 Kings Highway, at the junction of Kings Highway and Auburn Road, Swedesboro.

Parks and Recreation

There are several recreation areas including two centrally located parks, seven ball fields and two playgrounds.

Health Care

There are no major health care facilities located in the Borough. Two (2) major hospitals, however, are located in the County of Gloucester. Inspira Medical Center located in Woodbury City, New Jersey which is approximately ten (10) miles from the Borough, has approximately three-hundred and twenty-five (325) beds and sixteen hundred and eighty (1,680) employees.

John F. Kennedy Hospital, Washington Township Division, one of three divisions within the JFK Memorial Hospital System, has one hundred and forty-six (146) beds and approximately seven hundred (700) employees.

Financial Institutions

The Bank of America is located at Kings Highway and Railroad Ave. The Fulton Bank is located on Kings Highway, adjacent to Kingsway Regional High School. Franklin Savings Bank is located at the intersection of Center Square Road and Auburn Road.

Growth and Development

Swedesboro is aggressively pursuing new commercial development through the implementation of a redevelopment zone in the downtown business district, the introduction of a tax abatement policy, a streamlining of the site plan approval process and the creation of an active, aggressive Economic Development Committee.

The Fish & Calatozza and Swedes Plaza shopping centers have added more than 25 new businesses over the last several years on the southern end of town.

The Downtown Business District continues to thrive and adds new businesses on a regular basis.

The new businesses opening in the Swedesboro Business District complement the existing fine restaurants, casual dining and retail establishments in the Downtown Area and the recent Streetscape Project has created a Pedestrian Friendly atmosphere that has made Swedesboro a destination location for out of town shoppers.

Swedesboro has also embarked on a Bold project in the Downtown area in which the Borough has acquired several vacant lots and is consolidating them into one marketable property for a selected developer. The final project is envisioned to create additional retail and residential units and also includes an area of Municipal Parking.

The Swedesboro Economic Development Committee has become a model in Gloucester County for creating events designed to bring new and diverse customers into the Downtown Business District. Events such as Jazz Festivals throughout the year", the "Outdoor Living and Garden Show" and the "Dancing in the Streets venues" have drawn thousands of people to the Downtown Area in support of the local businesses.

The annual Swedesboro - Woolwich Day event consistently draws over 8000 people into town for an all-day event designed to showcase the Downtown Businesses and the Town, and was named Gloucester County's "Best Town Event" in 2008.

Recently constructed and approved residential projects include over 300 new homes in the Borough. This represents a 45% increase in Borough housing units. This tremendous increase in population coupled with the significant development in surrounding communities has created an outstanding opportunity for commercial development in Swedesboro and this opportunity is being pursued aggressively.

Borough Employees

December 31, 2015

Total

22

Employee Collective Bargaining Units

The Public Works Department is represented by the Teamsters Union and have an approved contract through December 31, 2018.

Compensated Absences

Public Works Department – By contract, employees are not allowed to accrue vacation time. The sick pay policy dictates that each eligible employee shall be entitled to twelve (12) days of sick leave without loss of pay. Unused sick days can be carried forward up to a maximum of 30 days.

Non-contract Employees - Full-time employees are entitled to paid sick and vacation leave days each year based on the number of years of service. Sick and vacation days not used during the year may not be accumulated and carried forward unless authorized by the Borough Council. For additional information regarding compensated absences see Appendix B: 2014 Audited Financial Statements, Note 10.

Pension Plans

Those Borough employees who are eligible for pension coverage are enrolled in the PERS pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans see Appendix B: 2014 Audited Financial Statements, Note 8.

Borough Population (1)

2010 Federal Census	2,584
2000 Federal Census	2,055
1990 Federal Census	2,015
1980 Federal Census	2,031
1970 Federal Census	2,287

Selected Census 2014 Data for the Borough (1)

Median household income	\$73,036
Median family income	\$79,208
Per capita income	\$28,665

Labor Force(2)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Borough					
Labor Force	N/A	1,432	1,460	1,489	1,412
Employment	N/A	1,356	1,347	1,346	1,210
Unemployment	N/A	76	113	143	202
Unemployment Rate	N/A	5.3%	7.7%	9.6%	14.3%
County					
Labor Force	149,442	148,835	150,614	152,015	151,892
Employment	140,225	138,254	137,357	136,772	136,515
Unemployment	9,208	10,581	13,257	15,243	15,377
Unemployment Rate	6.2%	7.1%	8.8%	10.0%	10.1%
State					
Labor Force	4,543,817	4,518,700	4,534,400	4,588,100	4,565,700
Employment	4,277,317	4,218,400	4,164,400	4,162,100	4,140,500
Unemployment	266,525	300,300	370,000	426,000	425,300
Unemployment Rate	5.9%	6.6%	8.2%	9.3%	9.3%

(1) Source: U.S. Department of Commerce, Bureau of Census (2014 Estimated Data).

(2) Source: New Jersey Department of Labor

TEN LARGEST EMPLOYERS IN THE COUNTY(1)

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>
Inspira Health Network	Hospital	1,825
Kennedy Health Alliance	Hospital	1,675
Rowan University	University	1,483
Missa Bay LLC	Produce Retail	950
US FoodService	Food Company/Distributor	725
Exxon Mobil Research & Engineering Co.	Commercial Physical Research	540
LaBrea Bakery	Retail Bakeries	525
Delaware Valley Wholesale Florist	Wholesale Florist	500
Drugstore.com	Health and Beauty Care Products Retailer	450
Heritage Dairy Stores	Convenience Store	450

Building, Zoning and Development Codes

The Borough has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Borough's building codes conform to standards of the State Uniform Construction Code. These codes and other Municipal Codes are codified as a basis for improved administration and regulation.

The Borough's Municipal Land Use Law gives the combined Zoning/ Planning Board authority to regulate most land use other than single-family residential use. In this way, the Borough is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Building Permits Issued(2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2016 (3)	37	\$282,944
2015	138	1,726,921
2014	106	1,359,037
2013	125	1,183,096
2012	83	885,684
2011	136	949,994

EDUCATION(4)

Primary and Secondary

The Swedesboro-Woolwich Consolidated School District is a Type II Limited Purpose Regional District that serves the Borough of Swedesboro and the Township of Woolwich (collectively "Constituent Municipalities"). The School District, serving the Constituent Municipalities, was formed pursuant to Chapter 13 of Title 18A of the New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each municipality.

(1) Source: County officials

(2) Source: Borough's Construction Official

(3) As of March 22, 2016

(4) Source: School District Officials

The Board of Education consists of nine (9) members, three (3) members elected each year for a three (3) year term. The Board of Education manages its operations with a Superintendent of Schools, who is responsible for all operations of the school system. In addition, the School Business Administrator is responsible for the financial, facilities, transportation and food service aspects of the system.

The Kingsway Regional High School District is a Type II Limited Purpose Regional District that serves the Borough of Swedesboro, Township of East Greenwich, Township of South Harrison and the Township of Woolwich (collectively "Constituent Municipalities"). In addition, the School District receives students from the Township of Logan on a tuition basis. The school facilities are located in the Township of Woolwich. The School District, servicing the Constituent Municipalities, was formed pursuant to Chapter 13 of Title 18A of the New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each municipality.

The Board of Education consists of nine (9) members, three (3) members elected each year for a three (3) year term. Additionally, one (1) sending district member is appointed annually. The Board of Education manages its operations with a Superintendent of Schools, who is responsible for all operations of the school system. In addition, the School Business Administrator is responsible for the financial, facilities, transportation and food service aspects of the system.

SWEDESBORO-WOOLWICH SCHOOL DISTRICT SCHOOL ENROLLMENTS (1)(2)

<u>Grade</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Half-Day Pre-K	14	24	23	47	15
K	169	165	183	175	192
1	180	205	218	223	223
2	199	215	239	224	229
3	223	214	234	230	211
4	218	213	226	203	204
5	209	223	211	209	223
6	218	212	211	217	195
Spec. Ed.	<u>284</u>	<u>269</u>	<u>192</u>	<u>194</u>	<u>228</u>
Totals	<u>1,714</u>	<u>1,740</u>	<u>1,737</u>	<u>1,722</u>	<u>1,720</u>

PRESENT SCHOOL FACILITIES AND ENROLLMENT

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2015</u>
General Charles G. Harker School	2008	---	3-5	786
Gov. Charles C. Stratton School	2004	---	1-2	438
Margaret C. Clifford E.S.	1996	2002	Kind.	228
Walter H. Hill E.S.	1922	1987/2003	6	<u>262</u>
				<u>1,714</u>

(1) Source: School District Officials

(2) As of October 15 in each respective year.

**KINGSWAY REGIONAL HIGH SCHOOL DISTRICT(1)(2)
SCHOOL ENROLLMENTS**

<u>Grade</u>	<u>2015</u>	<u>October 15,</u>		<u>2012</u>	<u>2011</u>
		<u>2014</u>	<u>2013</u>		
7	34	45	40	39	48
8	46	42	41	51	42
9	39	40	50	36	39
10	38	53	41	44	32
11	57	37	39	29	33
12	<u>37</u>	<u>42</u>	<u>34</u>	<u>31</u>	<u>31</u>
Totals	<u>251</u>	<u>259</u>	<u>245</u>	<u>230</u>	<u>225</u>

HIGHER EDUCATION FACILITIES

Rowan College at Gloucester County

Rowan College at Gloucester County (which opened in 1967 as Gloucester County College) is a publicly supported, co-educational two-year institution, fully accredited by the Middle States Commission on Higher Education.

The College offers more than 70 academic programs in business, humanities, allied health, technologies and the sciences. A number of selective admission programs related to the allied-health field are also available. Total enrollment for the Fall 2015 semester was 6,836 students (3,807 full-time and 3,029 part-time students).

Rowan College maintains a well-rounded cultural, artistic and sports calendar of events. In addition, the College's Division of Continuing Education provides numerous educational, career training and personal enrichment courses as well as outreach programs to community residents.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. Rowan College continues to offer students a variety of four-year degree options with transfer agreements with university partners, in addition to an extensive listing of articulation agreements for students pursuing baccalaureate and master's degree programs. Students also have the option to complete advanced degrees without leaving the Rowan College campus through partnership agreements with Rowan University, Fairleigh Dickinson University and Wilmington University.

Rowan College at Gloucester County is located on a 250-acre campus on Tanyard Road in Deptford, New Jersey.

Rowan University

Rowan University ("University") (formerly known as Glassboro State College) is a selective, medium-sized state university located in southern New Jersey, between Atlantic City and Philadelphia. In 1992, the University received a \$100 million gift from Henry and Betty Rowan, one of the largest gifts ever bestowed on a public university. The gift has been a catalyst for the University's transformation into a university of regional prominence. Founded in 1923 as a school for teachers, the University enrolls over 10,000 students in Business, Communications, Education, Engineering, Fine & Performing Arts, Liberal Arts and a Graduate School. The 200-acre campus contains 31 buildings, including eight

(1) Source: Regional District Officials.

(2) Swedesboro Borough students only. Excludes out of district placement students.

(8) residence halls, three (3) apartment complexes and one (1) town-house project. The University was also the site of the historic Summit Conference between President Johnson and Russian Premier Kosygin in 1967.

Enrollment is approximately 14,778 students (12,022 undergraduates, 1,927 graduates, and 829 professionals).⁽¹⁾

As a result, in part, of a State reorganization plan transferring certain functions, powers and duties of the University of Medicine and Dentistry of New Jersey ("UMDNJ") in the City of Camden to the University, construction is underway on a \$140 million four-year allopathic medical school. The University is partnering with the Cooper University Hospital to develop the Cooper Medical School of Rowan University. The medical school building is a six-story, 200,000 square foot, LEED certified building. At full capacity, it is anticipated that the new medical school will have an annual enrollment of approximately 400 students. The medical school will be the first four year allopathic medical school in South Jersey and the first new medical school in the State of New Jersey ("State") in more than 30 years. The facility held a Grand Opening on July 24, 2012 and welcomed their first class of students in the Fall of 2012.

On August 22, 2012, after passage by the New Jersey State Legislature, the Governor signed the New Jersey Medical and Health Sciences Education Restructuring Act ("Restructuring Act") into law. The Restructuring Act reorganizes certain higher education facilities throughout the State of New Jersey. In relevant part, UMDNJ facilities located in the City of Camden, New Jersey and the UMDNJ School of Osteopathic Medicine in Stratford, New Jersey will be transferred from UMDNJ to the University. Additionally, the Restructuring Act creates: (i) a Rutgers, the State University of New Jersey – Camden Campus ("Rutgers-Camden") Board of Directors with responsibilities including the policies and administration of Rutgers-Camden; and (ii) a joint University/ Rutgers-Camden Board of Directors with responsibilities including the policies and administration of Rowan and Rutgers-Camden in the area of Health Sciences.

In furtherance of the University's growth, the construction of several new facilities is planned, including new buildings for the Colleges of Business and Engineering, a housing village, a health sciences facility and an academic building to serve the entire university. These projects, more than \$300 million worth of construction over the next eight years, will generate much needed construction jobs in the short-term and increase access to higher education in the long-term.

Gloucester County Vocational and Technical School District

The Gloucester County Vocational and Technical School District ("District") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The District also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

For the 2014-2015 school year, approximately 1,510 students are enrolled in the District's Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the District serves an average of 4,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 400 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 175 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

¹ Source: Rowan website

Gloucester County Special Services School District

Gloucester County Special Services School District ("GCSSSD") provides a wide range of educational services to the families of the County. GCSSSD serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, for the 2014-2015 school year, was approximately 716 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional, and serves special needs students from pre-kindergarten to grade 5.

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, GCSSSD provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

GCSSSD also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. GCSSSD's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2016 Assessed Valuation</u>
Swedes Development LLC	Strip Center (Office and Medical Building)	\$3,789,200
D & D Properties of Swedesboro Inc.	Commercial Stores	2,823,500
R & R Real Estate LLC	Landlord for Apartments and Houses	1,703,100
Bianco, Ronald and Bianco, James	Ron Son Foods (Nat'l Food Importer)	1,660,000
Russo Rentals LLC	Office/Landlord for Apartments	1,513,700
Botto Sons LLC	Grocery Store & Banquet Hall	1,462,600
Swedesboro Housing LTD Partnership	Apartments	1,275,000
Bank of America	Bank	974,900
GI Advo Propco LLC	Stores and Offices	961,100
Raccoon Creek LLC	Warehousing	950,000

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2015(3)	\$6,801,509	\$6,504,634	95.64%	\$289,418	4.26%
2014	6,848,002	6,478,598	94.61	298,483	4.36
2013	6,857,798	6,557,540	95.62	254,266	3.71
2012	6,460,100	6,122,927	94.78	321,001	4.97
2011	6,185,960	5,867,157	94.84	299,123	4.84

DELINQUENT TAXES (2)

<u>Year</u>	<u>Outstanding Jan. 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2015(3)	\$298,483	\$581	\$291,178	97.36%	\$425	---	\$12,207
2014	254,266	1,250	247,659	96.93	1,381	\$6,476	---
2013	321,001	1,750	307,802	95.37	8,669	6,280	---
2012	299,123	5,293	294,179	96.64	48	6,439	3,750
2011	273,653	750	255,757	93.20	1,255	17,391	---

(1) Source: Tax Assessor

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

(3) Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected/ Transferred</u>	<u>Canceled</u>	<u>Balance Dec. 31</u>
2015(2)	\$52,462	\$15,036	\$6,200	---	\$61,298
2014	30,227	22,411	176	---	52,462
2013	1,375	29,304	452	---	30,227
2012	3,811	123	2,559	---	1,375
2011	1,250	2,561	---	---	3,811

FORECLOSED PROPERTY(1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Sales</u>		<u>Balance Dec. 31</u>
				<u>Cash</u>	<u>Gain on Sale</u>	
2015(2)	\$231,000	---	---	---	---	\$231,000
2014	231,000	---	---	---	---	231,000
2013	231,000	---	---	---	---	231,000
2012	231,000	---	---	---	---	231,000
2011	231,000	---	---	---	---	231,000

CURRENT WATER AND SEWER COLLECTIONS(1)

<u>Year</u>	<u>Beginning Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy Amount</u>	<u>Percentage</u>	<u>Outstanding Dec. 31 Amount</u>	<u>Percentage</u>
2015(2)	\$15,986	\$1,145,685	\$1,142,219	98.33%	\$16,611	1.43%
2014	16,280	1,066,497	1,065,307	98.39	15,986	1.48
2013	17,259	1,012,059	1,010,266	98.15	16,280	1.58
2012	9,472	1,006,913	999,126	98.30	17,259	1.70
2011	13,336	1,040,519	1,044,383	99.10	9,472	0.90

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

(2) Information from Annual Compiled Financial Statement

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

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (1)**

Tax Rate (2)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Total</u>	<u>County</u>	<u>Library</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Municipal</u>
2015	\$174,478,801	\$3.886	\$0.662	\$0.047	\$1.354	\$0.905	\$0.918
2014	186,448,059	3.666	0.598	0.044	1.324	0.867	0.833
2013	190,013,917	3.606	0.611	0.044	1.279	0.870	0.802
2012	191,774,796	3.367	0.566	0.044	1.197	0.785	0.775
2011	191,503,120	3.217	0.572	0.043	1.144	0.713	0.745

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA(3)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(5)</u>
2016	\$172,468,500	97.86%(4)	\$176,240,037	\$68,204
2015	172,704,500	97.86	176,481,198	68,298
2014	184,744,400	106.78	173,014,048	66,956
2013	188,180,800	105.27	178,760,141	69,180
2012	189,420,300	101.01	187,526,285	72,572

REAL PROPERTY CLASSIFICATION (6)

<u>Year</u>	<u>Assessed Value Land Use Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
2016	\$172,468,500	\$1,225,500	\$136,021,000	\$25,300	\$29,592,200	\$3,273,800	\$2,330,700
2015	172,704,500	1,311,500	135,324,200	25,300	30,020,200	3,273,800	2,749,500
2014	184,744,400	1,516,500	146,211,800	25,300	34,204,500	1,663,900	1,122,400
2013	188,180,800	1,962,600	148,474,600	24,700	34,901,000	1,695,500	1,122,400
2012	189,420,300	2,146,800	148,633,300	24,700	35,797,600	1,695,500	1,122,400

(1) Source: Borough Tax Collector

(2) Per \$100 of assessed valuation

(3) State of New Jersey, Department of Treasury, Division of Taxation

(4) Preliminary Percentage

(5) Based on Federal Census 2010 of 2,584

(6) Source: County Tax Assessor

**BOROUGH OF SWEDESBORO
STATEMENT OF INDEBTEDNESS(1)**

The following table summarizes the direct debt of the Borough in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued, including General, Water and Sewer Utility, debt of the Local School and debt of the Regional School District. Deductions from gross debt to arrive at net debt include reserve for payment of debt, deductible school debt, as well as debt considered to be self-liquidating. The resulting net debt of \$4,289,384 represents 2.436% of the average of equalized valuations for the Borough for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Gross Debt	Deductions			Net Debt
	Bonds	Loans	Notes		School Debt	Reserve for Payment of Debt	Self-Liquidating Debt	
General	\$ 1,739,000	\$ 48,352	\$ 1,513,855	\$ 3,301,207		\$ 40,000		\$ 3,261,207
School - Local	5,430,306			5,430,306	\$ 4,402,128			1,028,177
School - Regional	2,764,963			2,764,963	2,764,963			
Water and Sewer Utility	1,819,000			1,819,000			\$ 1,819,000	-
	<u>\$ 11,753,269</u>	<u>\$ 48,352</u>	<u>\$ 1,513,855</u>	<u>\$ 13,315,476</u>	<u>\$ 7,167,091</u>	<u>\$ 40,000</u>	<u>\$ 1,819,000</u>	<u>\$ 4,289,384</u>

(1) As of December 31, 2015

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2013, 2014 and 2015	\$176,085,129
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2013, 2014 and 2015	2.44%
2016 Net Valuation Taxable	\$172,468,500
2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$176,240,037
Gross Debt (2):	
As a percentage of 2016 Net Valuation Taxable	7.72%
As a percentage of 2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	7.56%
Net Debt (2):	
As a percentage of 2016 Net Valuation Taxable	2.49%
As a percentage of 2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.43%
Gross Debt Per Capita (3)	\$5,153
Net Debt Per Capita (3)	\$1,660

BOROUGH BORROWING CAPACITY(1)

3.5% of Averaged (2013-15) Equalized Valuation of Real Property including Improvements (\$176,085,129)	\$6,162,980
Net Debt	<u>4,289,384</u>
Remaining Borrowing Capacity	<u><u>\$1,873,595</u></u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)

2.5% of Averaged (2013-15) Equalized Valuation of Real Property including Improvements (\$1,311,484,736)	\$32,787,118
Net Debt(4)	<u>40,445,000</u>
Remaining Borrowing Capacity	<u><u>(\$7,657,882)</u></u>

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)

3% of Average (2013-15) Equalized Valuation of Real Property including Improvements (\$2,773,712,205)	\$83,211,366
Net Debt(5)	<u>43,554,000</u>
Remaining Borrowing Capacity	<u><u>\$39,657,366</u></u>

(1) As of December 31, 2015

(2) Excluding overlapping debt

(3) Based on 2010 Federal Census of 2,584

(4) Debt portion allocated to the Borough \$5,430,306

(5) Debt portion allocated to the Borough \$2,764,963

**BOROUGH OF SWEDESBORO
OVERLAPPING DEBT
AS OF DECEMBER 31, 2015**

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deduction</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	Debt Auth. but not <u>Issued</u>
County of Gloucester(1):					
General	\$ 250,426,000	\$ 7,866,500 (2)	\$ 242,559,500	\$ 1,673,661 (4)	\$ 29,032
Bonds Issued by Other Public Bodies					
Guaranteed by the County	202,586,429	202,586,429 (3)	-		
	<u>\$ 453,012,429</u>	<u>\$ 210,452,929</u>	<u>\$ 242,559,500</u>	<u>\$ 1,673,661</u>	<u>\$ 29,032</u>

(1) Source: County's Annual Debt Statement

(2) Includes County College Bonds

(3) Deductible in accordance with N.J.S. 40:37A-80.

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2015 Net Valuation on which County taxes are apportioned, which is 0.69%.

BOROUGH OF SWEDESBORO
SCHEDULE OF DEBT SERVICE(1)
(BONDED DEBT AND LONG-TERM LOANS)

Year Ended Dec. 31,	General - Existing (2)			Water and Sewer Utility Bonds - Existing (2)			2016 General Improvement Bonds			Grand Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2016	\$88,402.24	\$66,792.74	\$155,194.98	\$90,000.00	\$68,922.50	\$158,922.50				\$314,117.48
2017	88,571.12	64,123.86	152,694.98	90,000.00	66,110.00	156,110.00	\$75,000.00	\$49,183.82	\$124,183.82	432,988.80
2018	108,743.40	61,026.58	169,769.98	90,000.00	63,185.00	153,185.00	100,000.00	31,412.50	131,412.50	454,367.48
2019	108,919.15	57,475.83	166,394.98	100,000.00	59,972.50	159,972.50	110,000.00	29,562.50	139,562.50	465,929.98
2020	109,098.43	53,796.55	162,894.98	100,000.00	56,472.50	156,472.50	120,000.00	27,262.50	147,262.50	466,629.98
2021	104,617.57	49,988.67	154,606.24	100,000.00	52,847.50	152,847.50	125,000.00	24,812.50	149,812.50	457,266.24
2022	120,000.00	45,667.50	165,667.50	120,000.00	48,572.50	168,572.50	130,000.00	22,262.50	152,262.50	486,502.50
2023	120,000.00	40,867.50	160,867.50	120,000.00	43,772.50	163,772.50	135,000.00	19,612.50	154,612.50	479,252.50
2024	120,000.00	36,067.50	156,067.50	130,000.00	38,772.50	168,772.50	140,000.00	16,862.50	156,862.50	481,702.50
2025	120,000.00	31,267.50	151,267.50	130,000.00	33,572.50	163,572.50	145,000.00	14,012.50	159,012.50	473,852.50
2026	140,000.00	26,067.50	166,067.50	130,000.00	28,372.50	158,372.50	150,000.00	11,062.50	161,062.50	485,502.50
2027	140,000.00	20,380.00	160,380.00	150,000.00	22,678.75	172,678.75	150,000.00	8,062.50	158,062.50	491,121.25
2028	140,000.00	14,605.00	154,605.00	150,000.00	16,491.25	166,491.25	150,000.00	4,968.75	154,968.75	476,065.00
2029	140,000.00	8,812.50	148,812.50	160,000.00	10,077.50	170,077.50	150,000.00	1,687.50	151,687.50	470,577.50
2030	139,000.00	2,953.75	141,953.75	159,000.00	3,378.75	162,378.75				304,332.50
	<u>\$1,787,351.91</u>	<u>\$579,892.98</u>	<u>\$2,367,244.89</u>	<u>\$1,819,000.00</u>	<u>\$613,198.75</u>	<u>\$2,432,198.75</u>	<u>\$1,680,000.00</u>	<u>\$260,765.07</u>	<u>\$1,940,765.07</u>	<u>\$6,740,208.71</u>

(1) Source: Borough Auditor

(2) As of December 31, 2015

**BOROUGH OF SWEDESBORO
2016 MUNICIPAL BUDGET(1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$220,000.00
Miscellaneous Revenues:	
Local Revenues	103,900.00
State Aid without Offsetting Appropriations	259,353.00
Public and Private Programs Offset with Appropriations	19,096.80
Other Special Items of Revenue	40,000.00
Receipts from Delinquent Taxes	275,000.00
Amount to be Raised by Taxation for Municipal Purposes	<u>1,640,006.11</u>
 Total Appropriated Revenues	 <u><u>\$2,557,355.91</u></u>
Appropriations:	
Within CAPS:	
Operations	\$1,209,126.00
Excluded from CAPS:	
Other Operations	5,130.00
Shared Service Agreements	660,329.90
Public and Private Programs	22,406.30
Capital Improvements	131,700.00
Debt Service	164,355.00
Transferred to Board of Education	19,536.00
Reserve for Uncollected Taxes	<u>344,772.71</u>
 Total Appropriations	 <u><u>\$2,557,355.91</u></u>

WATER AND SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$117,000.00
Rents	1,100,000.00
Reserve for Payment of Debt	20,000.00
Miscellaneous	<u>32,000.00</u>
 Total Anticipated Revenues	 <u><u>\$1,269,000.00</u></u>
Appropriations:	
Operating	\$970,600.00
Capital Improvements	102,900.00
Debt Service	159,000.00
Statutory Expenditures	<u>36,500.00</u>
 Total Appropriations	 <u><u>\$1,269,000.00</u></u>

**CAPITAL PROGRAM(1)
PROJECTS SCHEDULED FOR THE YEARS 2016 - 2018**

	Estimated Total Cost	Current Year	Capital Improvement Fund	Bonds and Notes	
				General	Self Liquidating
Fire Truck Repairs	\$85,000.00		\$4,250.00	\$80,750.00	
Improvements to Borough Hall Roof	25,000.00		1,250.00	23,750.00	
Repairs to Manhole Lids	65,500.00	\$65,500.00			
Equipment - Mower	6,200.00	6,200.00			
Improvements to Crosswalks	20,000.00	20,000.00			
Improvements to Borough Hall	25,000.00	25,000.00			
Improvements to Well Houses	26,800.00		26,800.00		
Various Utility Equipment	20,100.00		20,100.00		
	<u>\$273,600.00</u>	<u>\$116,700.00</u>	<u>\$52,400.00</u>	<u>\$104,500.00</u>	<u>\$0.00</u>

(1) As introduced on March 21, 2016

APPENDIX B

**EXCERPTS FROM THE FINANCIAL STATEMENTS OF THE
BOROUGH OF SWEDESBORO,
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

FOR THE YEAR ENDED 2015
COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Swedesboro
Swedesboro, New Jersey 08085

Management is responsible for the accompanying financial statements of the Borough of Swedesboro, in the County of Gloucester, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2015 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
April 4, 2016

BOROUGH OF SWEDESBORO**CURRENT FUND****Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2015**

Assets:**Regular Fund:**

Cash - Treasurer	\$ 1,410,992.03
Cash - Change Fund	<u>100.00</u>

1,411,092.03

Receivables and Other Assets with**Full Reserves:**

Delinquent Property Taxes Receivable	289,418.07
Tax Title Liens Receivable	61,297.72
Miscellaneous Liens Receivable	2,448.00
Property Acquired for Taxes--Assessed Valuation	231,000.00
Interfunds Receivable	16,588.17
Prepaid Local School District Tax	<u>15,601.50</u>

616,353.46

2,027,445.49

Federal, State and Other Grant Fund:

Federal, State and Other Grants Receivable	63,357.00
Due From Current Fund	<u>136,505.08</u>

199,862.08

\$ 2,227,307.57

BOROUGH OF SWEDESBORO
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2015

Liabilities, Reserves and Fund Balance:

Regular Fund:

Appropriation Reserves	\$ 156,740.77
Reserve for Encumbrances	12,305.49
Due to State of New Jersey - Veterans and Senior Citizens Deductions	964.90
Prepaid Taxes	55,771.94
Tax Overpayments	2,286.20
Due County for Added and Omitted Taxes	3,871.02
Due to Federal, State and Other Grant Fund	136,505.08
Reserve for Peddler's Licenses Cash Bond	<u>400.00</u>
	<u>368,845.40</u>
 Reserves for Receivables	 616,353.46
Fund Balance	<u>1,042,246.63</u>
	<u>2,027,445.49</u>

Federal, State and Other Grant Fund:

Reserve for Encumbrances	148,049.50
Reserves for Federal, State and Other Grants: Appropriated	<u>51,812.58</u>
	<u>199,862.08</u>
	<u>\$ 2,227,307.57</u>

BOROUGH OF SWEDESBORO
CURRENT FUND
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2015

Revenue and Other Income Realized:

Fund Balance Utilized	\$ 350,000.00
Miscellaneous Revenues Anticipated	476,112.54
Receipts from Delinquent Taxes	297,377.57
Receipts from Current Taxes	6,504,634.33
Non-Budget Revenues	32,402.15
Liquidation of Interfunds	
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	121,803.00
Cancellation of Accounts Payable	8,006.00
	<u>7,790,335.59</u>

Expenditures:

Budget and Emergency Appropriations:	
Appropriations Within "CAPS":	
Salaries and Wages	259,890.00
Other Expenses	816,431.00
Deferred Charges and Statutory Expenditures	136,773.00
Appropriations Excluded from "CAPS":	
Other Expenses	683,622.61
Capital Improvements	98,500.00
Municipal Debt Service	301,556.09
Transferred to Boards of Education	19,536.00
County Taxes	1,081,508.49
County Library Taxes	81,525.19
County Open Space Taxes	72,884.17
Due County for Added and Omitted Taxes	3,871.02
Local District School Tax	2,361,186.00
Regional High School District Taxes	1,579,530.00
Creation of Reserves for:	
Interfunds and Accounts Receivable	31,828.87
	<u>7,528,642.44</u>

Excess in Revenues	261,693.15
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Fund Balance January 1	<u>1,130,553.48</u>
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Total	1,392,246.63
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Decreased by:

Utilized as Anticipated Revenue	<u>350,000.00</u>
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Fund Balance December 31	<u><u>\$ 1,042,246.63</u></u>
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BOROUGH OF SWEDESBORO
TRUST FUND
Statement of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2015

Assets:

Animal Control Fund:

Cash - Chief Financial Officer	\$ 6,816.00
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Other Funds:

Cash - Chief Financial Officer	139,488.04
Cash - Tax Collector	75,350.34
Cash - Other	28,140.24
Mortgage Loans Receivable	217,865.00

460,843.62

\$ 467,659.62

Liabilities and Reserves:

Animal Control Fund:

Reserve for Animal Control Fund Expenditures	\$ 6,816.00
--	-------------

Other Funds:

Due to Water and Sewer Utility Operating Fund	
Due to State of New Jersey:	
Marriage and Civil Union License Fees	50.00
Hunting and Fishing Licenses	1,687.50
Due to Current Fund	71.83

Miscellaneous Trust Reserves and Escrows

Tax Sale Premiums	43,500.00
Redemption of Tax Title Liens	31,850.34
Municipal Alliance Donations - Municipal Share	18,035.84
Recreation Purposes (Developers Donations)	3,984.78
Economic Development	32,653.95
Street Opening Permits	100.00
Snow Removal Appropriations	6,008.18
Cash Performance Bonds - Museum Cl	24,348.00
Performance Guarantee - Grant Ave.	40,772.40
Payroll Deductions Payable	4,635.86

Miscellaneous Trust Reserves and Escrows - Other:

COAH	2,429.76
Developer's Escrow Funds	22,611.18
Reserve for Loan Rehabilitation Program	10,239.00
Reserve for Mortgage Loans Receivable	217,865.00

460,843.62

\$ 467,659.62

BOROUGH OF SWEDESBORO
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2015

Assets:

Cash	\$ 326,913.50
Grants Receivable	292,558.39
Deferred Charges to Future Taxation:	
Funded	1,787,351.91
Unfunded	<u>1,513,855.00</u>
	<u>\$ 3,920,678.80</u>

Liabilities, Reserves and Fund Balance:

General Serial Bonds	\$ 1,739,000.00
Green Trust Loan Payable	48,351.91
Bond Anticipation Notes	1,513,855.00
Improvement Authorizations:	
Funded	24,666.61
Unfunded	143,778.13
Due to Water and Sewer Utility Capital Fund	3,581.25
Reserve for Encumbrances	73,066.62
Miscellaneous Capital Reserves	
Reserve for Restoration of Dam Project	11,249.05
Reserve for Improvements to Borough Hall	376.00
Reserve for Fire Company Equipment & Firehouse Improvement	1.00
Reserve for Demolition of Building	75,000.00
Reserve for Payment of Debt	40,000.00
Reserve for Federal State and Other Grants Receivable	200,000.00
Capital Improvement Fund	<u>47,753.23</u>
	<u>\$ 3,920,678.80</u>

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015

Assets:

Operating Fund:

Cash - Chief Financial Officer	\$ 484,395.29
Change Fund	<u>50.00</u>

484,445.29

Receivables With Full Reserves:

Consumer Accounts Receivable	16,611.19
Utility Liens Receivable	<u>7,337.16</u>

23,948.35

Total Operating Fund

508,393.64

Capital Fund:

Cash	111,454.31
Due from General Capital Fund	3,581.25
Fixed Capital	5,253,896.94
Fixed Capital Authorized and Uncompleted	<u>1,235,000.00</u>

Total Capital Fund

6,603,932.50

\$ 7,112,326.14

(Continued)

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015

Liabilities, Reserves and Fund Balance:

Operating Fund:

Appropriation Reserves	\$ 86,910.53
Encumbrances Payable	20,603.00
Due to Current Fund	16,516.34
Utility Rent Overpayments	2,064.57
Prepaid Utility Rents	49,403.99
Prepaid Water Tower Rental Lease Fees	26,832.00
Accrued Interest on Bonds, Notes and Loans	17,568.13
Reserve for Payment of Debt	<u>20,000.00</u>
	239,898.56
Reserve for Receivables	23,948.35
Fund Balance	<u>244,546.73</u>
Total Operating Fund	<u>508,393.64</u>

Capital Fund:

Serial Bonds Payable	1,819,000.00
Improvement Authorizations:	
Funded	37,252.96
Reserve for Encumbrances	11,555.80
Contracts Payable	13,021.00
Reserve for Amortization	4,614,896.94
Capital Improvement Fund	49,850.00
Deferred Reserve for Amortization	55,000.00
Capital Fund Balance	<u>3,355.80</u>
Total Capital Fund	<u>6,603,932.50</u>
	<u>\$ 7,112,326.14</u>

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY OPERATING FUND
Statements of Operations and Changes In Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2015

Revenue and Other Income Realized:

Fund Balance Utilized	\$ 171,400.00
Rents	1,142,219.33
Miscellaneous Revenue Anticipated	46,695.50
Other Credits to Income:	
Accounts Payable Canceled	3,250.00
Unexpended Balance of Appropriation Reserves	<u>67,383.97</u>
 Total Income	 <u>1,430,948.80</u>

Expenditures:

Operating	933,400.00
Capital Improvements	76,000.00
Debt Service	160,947.50
Deferred Charges and Statutory Expenditures	<u>64,000.00</u>
 Total Expenditures	 <u>1,234,347.50</u>

Excess in Revenue	196,601.30
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Fund Balance

Balance January 1	<u>219,345.43</u>
	415,946.73
Decreased by:	
Utilized as Anticipated Revenue	<u>171,400.00</u>
 Balance December 31	 \$ <u><u>244,546.73</u></u>

BOROUGH OF SWEDESBORO
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2015

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

Description of Financial Reporting Entity - The Borough of Swedesboro is located in the central part of Gloucester County, New Jersey. The Borough is located approximately twenty-five (25) miles southeast of Philadelphia, Pennsylvania, approximately fifty (50) miles west of Atlantic City and one hundred (100) miles south of New York City. The Borough is a separate governmental entity .77 square miles in size and is encircled by the Township of Woolwich. The present population according to the 2010 census is 2,584.

The Borough has a Mayor-Council form of government in accordance with N.J.S.A. 40A:60-1. The Mayor is separately elected every four years. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk. The daily operations of the Borough are supervised by the Borough Clerk who also serves as the Business Administrator of the Borough.

Component Units - The Borough of Swedesboro had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

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

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

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

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

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

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The 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 statements of assets, liabilities, reserves and fund balance.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Swedesboro-Woolwich School District and the Kingsway Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes The municipality is responsible for levying, collecting and remitting school taxes for the Swedesboro-Woolwich School District and the Kingsway Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district and the regional school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

FOR THE YEARS ENDED 2014, 2013, 2012, 2011 AND 2010

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Swedesboro
Swedesboro, New Jersey 08085

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2014, 2013, 2012, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Borough'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 on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 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 the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2014, 2013, 2012, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Swedesboro, in the County of Gloucester, State of New Jersey, as of December 31, 2014, 2013, 2012, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 17, 2015

BOROUGH OF SWEDESBORO**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Assets:					
Regular Fund:					
Cash - Treasurer	\$ 1,370,246	\$ 1,637,864	\$ 1,456,712	\$ 1,647,792	\$ 1,871,764
Cash - Change Fund	100	100	100	50	50
Due from State of New Jersey		1,063		35	285
	<u>1,370,346</u>	<u>1,639,027</u>	<u>1,456,812</u>	<u>1,647,877</u>	<u>1,872,099</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	298,483	254,266	321,001	299,123	273,653
Tax Title Liens Receivable	52,462	30,227	1,375	3,811	1,250
Property Acquired for Taxes--Assessed Valuation	231,000	231,000	231,000	231,000	231,000
Interfunds Receivable	361	26,342	77,328	1,206	
	<u>582,306</u>	<u>541,836</u>	<u>630,704</u>	<u>535,140</u>	<u>505,903</u>
	<u>1,952,652</u>	<u>2,180,863</u>	<u>2,087,516</u>	<u>2,183,017</u>	<u>2,378,001</u>
Federal, State and Other Grant Fund:					
Federal, State and Other Grants Receivable	198,357	57,276	180,387	368,372	179,595
Due From Current Fund					76,227
	<u>198,357</u>	<u>57,276</u>	<u>180,387</u>	<u>368,372</u>	<u>255,821</u>
	<u>\$ 2,151,009</u>	<u>\$ 2,238,139</u>	<u>\$ 2,267,903</u>	<u>\$ 2,551,389</u>	<u>\$ 2,633,822</u>

(Continued)

BOROUGH OF SWEDESBORO**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Liabilities, Reserves and Fund Balance:					
Regular Fund:					
Appropriation Reserves	\$ 152,209	\$ 163,224	\$ 130,885	\$ 92,463	\$ 126,206
Reserve for Encumbrances	31,322	29,363	30,380	37,793	18,877
Accounts Payable	8,006	8,006			
Due to State of New Jersey - Veterans and Senior Citizens Deductions	566	1,080	4,965		
Prepaid Taxes	45,237	32,360	44,896	72,603	69,209
Tax Overpayments		446		7,775	2,054
County Taxes Payable					172
Regional School Taxes Payable					6,937
Local School Taxes Payable					173,762
Due County for Added and Omitted Taxes	2,253	1,070	551	4,837	73,492
Due to Federal, State and Other Grant Funds					76,227
Due to Water and Sewer Utility Operating Fund		50,000			633
Reserve for Peddler's Licenses Cash Bond	200	200	200		
	239,793	285,748	211,876	215,471	547,570
Reserves for Receivables	582,306	541,836	630,704	535,140	505,903
Fund Balance	1,130,553	1,353,279	1,244,935	1,432,406	1,324,529
	1,952,652	2,180,863	2,087,516	2,183,017	2,378,001
Federal, State and Other Grant Fund:					
Reserve for Encumbrances	13,610	725	1,235	2,037	174,244
Reserves for Federal, State and Other Grants:					
Unappropriated	5,382				
Appropriated	179,344	30,209	101,835	90,343	81,578
Interfunds Payable	22	26,342	77,317	275,991	
	198,357	57,276	180,387	368,372	255,821
	\$ 2,151,009	\$ 2,238,139	\$ 2,267,903	\$ 2,551,388	\$ 2,633,822

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

BOROUGH OF SWEDESBORO**CURRENT FUND****Statements of Operations and Changes in Fund Balance - Regulatory Basis**

	For the Years Ended December 31,				
	2014	2013	2012	2011	2010
<u>Revenue and Other Income Realized:</u>					
Fund Balance Utilized	\$ 371,500	\$ 221,500	\$ 221,500	\$ 223,675	\$ 89,500
Miscellaneous Revenues Anticipated	652,537	441,446	612,611	612,760	732,192
Receipts from Delinquent Taxes	247,836	308,254	296,738	255,757	375,067
Receipts from Current Taxes	6,478,598	6,557,540	6,122,927	5,867,157	6,067,357
Non-Budget Revenues	88,171	95,727	78,294	74,311	142,231
Liquidation of Interfunds	25,981	50,985	1,206		
Other Credits to Income	130,594	103,475	113,750	287,667	208,227
	7,995,217	7,778,927	7,447,025	7,321,327	7,614,574
<u>Expenditures:</u>					
Budget and Emergency Appropriations:					
Appropriations Within "CAPS":					
Salaries and Wages	252,050	251,350	243,250	213,870	226,210
Other Expenses	855,456	809,650	807,022	749,241	710,440
Deferred Charges and Statutory Expenditures	135,769	128,987	129,980	200,823	146,047
Appropriations Excluded from "CAPS":					
Other Expenses	865,512	638,319	839,000	789,049	874,013
Capital Improvements	154,500	38,900	43,900	113,900	58,900
Deferred Charges			51,321		22,765
Municipal Debt Service	271,245	232,995	154,170	155,920	87,414
Transferred to Boards of Education	19,494	19,247	18,880		16,795
County Taxes	1,041,146	1,079,611	1,004,699	1,011,327	989,518
County Library Taxes	81,627	82,955	82,504	82,137	77,785
County Open Space Taxes	72,498	78,428	79,069	80,796	77,739
Due County for Added and Omitted Taxes	2,253	1,070	551	4,837	73,492
Local District School Tax	2,467,596	2,431,928	2,295,625	2,192,169	2,102,717
Regional High School District Taxes	1,616,503	1,653,894	1,506,713	1,365,812	1,285,607
Cancellation of Federal, State and Other Grants Receivable	7,600		69,759	21,117	155,367
Refund of Prior Year Revenue			3,932		
Tax Overpayments-Refund of Prior Year Revenue	1,943			6,821	
Prior Year Senior Citizen Disallowed	1,250	1,750	5,293	750	
Interfunds Created			77,328	1,206	
	7,846,442	7,449,084	7,412,995	6,989,775	6,904,809
Excess in Revenues (Carried Forward)	148,775	329,843	34,030	331,552	709,766

(Continued)

BOROUGH OF SWEDESBORO
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,				
	2014	2013	2012	2011	2010
Excess in Revenues (Brought Forward)	\$ 148,775	\$ 329,843	\$ 34,030	\$ 331,552	\$ 709,766
Fund Balance January 1	1,353,279	1,244,935	1,432,406	1,324,529	704,263
Total	1,502,053	1,574,779	1,466,435	1,656,081	1,414,029
Decreased by:					
Utilized as Anticipated Revenue	371,500	221,500	221,500	223,675	89,500
Fund Balance December 31	<u>\$1,130,553</u>	<u>\$1,353,279</u>	<u>\$1,244,935</u>	<u>\$1,432,406</u>	<u>\$1,324,529</u>

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

BOROUGH OF SWEDESBORO
TRUST FUNDS
Statements of Assets, Liabilities and Reserves - Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Assets:					
Animal Control Fund:					
Cash - Chief Financial Officer	\$ 5,912	\$ 5,997	\$ 3,983	\$ 5,013	\$ 3,075
Due from the State of New Jersey				11	
	<u>\$ 5,912</u>	<u>\$ 5,997</u>	<u>\$ 3,983</u>	<u>\$ 5,024</u>	<u>\$ 3,075</u>
Other Funds:					
Cash - Chief Financial Officer	\$ 80,584	\$ 76,172	\$ 168,893	\$ 121,109	\$ 105,956
Cash - Tax Collector	67,600	34,300	36,864	27,964	36,061
Cash - Other	33,806	12,628	17,197	23,999	34,152
Housing and Community Development Act of 1974					
Block Grant Allotment Receivable				52,547	177,406
Municipal Alliance Grants Receivable				3,375	
Mortgage Loans Receivable	237,604	237,604	237,604	237,604	237,604
	<u>419,595</u>	<u>360,704</u>	<u>460,558</u>	<u>466,598</u>	<u>591,179</u>
	<u>\$ 425,506</u>	<u>\$ 366,701</u>	<u>\$ 464,542</u>	<u>\$ 471,622</u>	<u>\$ 594,254</u>
Liabilities and Reserves:					
Animal Control Fund:					
Due to Current Fund				\$ 733	
Reserve for Animal Control Fund Expenditures	\$ 5,912	\$ 5,997	\$ 3,983	4,291	\$ 3,075
	<u>\$ 5,912</u>	<u>\$ 5,997</u>	<u>\$ 3,983</u>	<u>\$ 5,024</u>	<u>\$ 3,075</u>
Other Funds:					
Due to Water and Sewer Utility Operating Fund	\$ 15,725				
Due to State of New Jersey:					
Marriage and Civil Union License Fees	50	\$ 100	\$ 100	\$ 150	\$ 25
Hunting and Fishing Licenses	175	311	131		
Due to Current Fund	6		10		
Miscellaneous Trust Reserves and Escrows					
Tax Sale Premiums	67,600	34,300	26,000	17,100	8,700
Redemption of Tax Title Liens			10,864	10,864	27,361
Municipal Alliance Donations - Municipal Sha	14,536	19,523	22,764	18,519	19,943
2011 Municipal Alliance				3,661	
Recreation Purposes (Developers Donations	3,985	3,985	98,938	98,938	98,938
Economic Development	36,760	30,272	22,141	18,658	15,089
Street Opening Permits	100	1,100			3,180
Snow Removal Appropriations	6,847	18,735	15,386	11,166	9,263
Cash Performance Bonds			3,628	6,659	6,909
Payroll Deductions Payable	5,437	5,178	5,529	4,001	3,408
Miscellaneous Trust Reserves and Escrows - Other:					
RCA Escrow					3,146
COAH	2,426	2,422	2,418	2,884	4,122
Developer's Escrow Funds	28,344	7,174	11,737	18,084	23,853
Reserve for Mortgage Loans Receivable	237,604	237,604	237,604	237,604	237,604
Reserve for Housing and Community Development Act:					
Community Development Block Grant Program			3,309	18,310	129,638
	<u>419,595</u>	<u>360,704</u>	<u>460,558</u>	<u>466,598</u>	<u>591,179</u>
	<u>\$ 425,506</u>	<u>\$ 366,701</u>	<u>\$ 464,542</u>	<u>\$ 471,622</u>	<u>\$ 594,254</u>

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

BOROUGH OF SWEDSBORO**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Assets:					
Cash	\$153,969	\$711,044	\$610,052		\$693,628
Grants Receivable	332,558	455,000	320,000	\$5,000	45,000
Deferred Charges to Future Taxation:					
Funded	1,875,589	1,963,663	2,041,578	2,119,338	2,196,944
Unfunded	1,643,855	1,691,855	1,581,855	593,676	593,676
	<u>\$4,005,971</u>	<u>\$4,821,562</u>	<u>\$4,553,486</u>	<u>\$2,718,014</u>	<u>\$3,529,248</u>
Liabilities, Reserves and Fund Balance:					
General Serial Bonds	\$1,819,000	\$1,899,000	\$1,969,000	\$2,039,000	\$2,109,000
Green Trust Loan Payable	56,589	64,663	72,578	80,338	87,944
Bond Anticipation Notes	1,400,000	1,500,000	1,100,000		
Improvement Authorizations:					
Funded	18,146	147,663	14,043	6,884	180,350
Unfunded	201,429	725,872	875,729	267,959	520,009
Due to Water and Sewer Utility Operating Fund				108,006	
Reserve for Encumbrances	50,942	62,362	141,133	100,554	600,443
Reserve for Restoration of Dam Project	11,249	11,249	11,249	11,249	11,249
Reserve for Improvements to Borough Hall	18,105			53,770	
Reserve for Fire Company Equipment and Firehouse Improvement	1				
Reserve for Demolition of Building	75,000				
Reserve for Payment of Debt	80,000	110,000	35,000		
Reserve for Federal State and Other					
Grants Receivable	240,000	280,000	320,000		
Capital Improvement Fund	32,753	20,753	14,753	50,253	20,253
Fund Balance	2,758				
	<u>\$4,005,971</u>	<u>\$4,821,562</u>	<u>\$4,553,486</u>	<u>\$2,718,014</u>	<u>\$3,529,248</u>

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

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Assets:					
Operating Fund:					
Cash - Chief Financial Officer	\$424,888	\$386,940	\$509,290	\$143,752	\$538,367
Change Fund	50	50	50	50	50
Interfunds Receivable	15,725	50,000		383,998	633
	440,663	436,990	509,340	527,799	539,050
Receivables With Full Reserves:					
Consumer Accounts Receivable	15,986	16,280	17,259	9,472	13,336
Utility Liens Receivable	4,497	3,013		3,016	3,017
	20,483	19,293	17,259	12,488	16,353
Deferred Charges:					
Emergency Authorization (40A: 4-48)	32,000				
Total Operating Fund	493,146	456,283	526,599	540,287	555,403
Capital Fund:					
Cash	161,969	168,693	1,306,960	1,611,237	1,735,394
Fixed Capital	5,198,144	4,222,389	4,116,635	4,060,880	3,863,209
Fixed Capital Authorized and Uncompleted	1,215,000	2,100,000	2,150,000	2,150,000	2,272,001
Total Capital Fund	6,575,113	6,491,082	7,573,594	7,822,117	7,870,604
	\$7,068,259	\$6,947,365	\$8,100,193	\$8,362,404	\$8,426,007

(Continued)

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

	As of December 31,				
	2014	2013	2012	2011	2010
Liabilities, Reserves and Fund Balance:					
Operating Fund:					
Appropriation Reserves	\$72,733	\$83,402	\$76,023	\$177,684	\$60,711
Encumbrances Payable	46,226	8,616	16,583	11,287	31,368
Accounts Payable	3,250	3,250			2,042
Due to Current Fund	333			473	
Utility Rent Overpayments	3,682	1,881	490	1,926	1,871
Prepaid Utility Rents	68,603	43,693	75,921	29,445	61,011
Prepaid Water Tower Rental Lease Fees	40,248	53,664	67,080	80,496	93,912
Accrued Interest on Bonds, Notes and Loans	18,243	18,918	19,518	20,018	20,518
	253,318	213,424	255,614	321,329	271,433
Reserve for Receivables	20,483	19,293	17,259	12,488	16,353
Fund Balance	219,345	223,566	253,726	206,470	267,617
Total Operating Fund	493,146	456,283	526,599	540,287	555,403
Capital Fund:					
Serial Bonds Payable	1,909,000	1,999,000	2,079,000	2,159,000	2,239,000
Improvement Authorizations:					
Funded	56,278	29,238	1,231,499	1,396,943	1,514,375
Unfunded				38,644	38,694
Reserve for Encumbrances	36,465	55,228	8,543	49,877	39,108
Contracts Payable	16,021	16,021	19,447	160,302	177,746
Reserve for Amortization	4,469,143	4,323,389	4,049,103	3,831,349	3,675,679
Capital Improvement Fund	49,850	64,850	44,850	44,850	44,850
Deferred Reserve for Amortization	35,000		138,531	138,531	138,531
Capital Fund Balance	3,356	3,356	2,621	2,621	2,621
Total Capital Fund	6,575,113	6,491,082	7,573,594	7,822,117	7,870,604
	<u>\$7,068,259</u>	<u>\$6,947,365</u>	<u>\$8,100,193</u>	<u>\$8,362,404</u>	<u>\$8,426,007</u>

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

BOROUGH OF SWEDESBORO
WATER AND SEWER UTILITY OPERATING FUND
Statements of Operations and Changes In Fund Balance -- Regulatory Basis

	For the Years Ended December 31,				
	2014	2013	2012	2011	2010
<u>Revenue and Other Income Realized:</u>					
Fund Balance Utilized	\$131,000	\$132,000	\$140,000	\$150,000	\$150,000
Rents	1,065,307	1,010,266	999,126	1,044,383	1,065,104
Miscellaneous Revenue Anticipated	43,834	49,053	82,703	63,128	85,655
Accounts Payable Canceled				2,042	
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	76,287	64,793	168,399	37,173	76,425
Total Income	1,316,427	1,256,112	1,390,228	1,296,725	1,377,185
<u>Expenditures:</u>					
Operating	950,000	890,000	870,000	920,000	848,000
Capital Improvements	76,000	76,000	55,800	90,800	120,000
Debt Service	163,648	156,273	158,573	160,573	167,586
Deferred Charges and Statutory Expenditures	32,000	32,000	118,600	36,500	32,500
Total Expenditures	1,221,648	1,154,273	1,202,973	1,207,873	1,168,086
Excess in Revenue	94,780	101,840	187,256	88,853	209,098
Adjustments to Income Before Fund Balance -					
Expenditures Included Above Which Are by Statute					
Deferred Charges to Budget of Succeeding Year	32,000				
Statutory Excess of Fund Balance	126,780	101,840	187,256	88,853	209,098
<u>Fund Balance</u>					
Balance January 1	223,566	253,726	206,470	267,617	208,519
	350,345	355,566	393,726	356,470	417,617
Decreased by:					
Utilized as Anticipated Revenue	131,000	132,000	140,000	150,000	150,000
Balance December 31	\$219,345	\$223,566	\$253,726	\$206,470	\$267,617

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

BOROUGH OF SWEDESBORO
Notes to Financial Statements
For the Year Ended December 31, 2014

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

Description of Financial Reporting Entity - The Borough of Swedesboro is located in the central part of Gloucester County, New Jersey. The Borough is located approximately twenty-five (25) miles southeast of Philadelphia, Pennsylvania, approximately fifty (50) miles west of Atlantic City and one hundred (100) miles south of New York City. The Borough is a separate governmental entity .77 square miles in size and is encircled by the Township of Woolwich. The present population according to the 2010 census is 2,584.

The Borough has a Mayor-Council form of government in accordance with N.J.S.A. 40A:60-1. The Mayor is separately elected every four years. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk. The daily operations of the Borough are supervised by the Borough Clerk who also serves as the Business Administrator of the Borough.

Component Units - The Borough of Swedesboro had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Swedesboro contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

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

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

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

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Budgets and Budgetary Accounting - The Borough of Swedesboro must adopt an annual budget for its current and water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough of Swedesboro requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, Borough of Swedesboro-Woolwich School District and the Kingsway Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Swedesboro-Woolwich School District and the Kingsway Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district and the regional high school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds, if any, are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2014, the Borough's bank balances of \$2,307,686.71 were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 250,000.00
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>2,057,686.71</u>
Total	<u>\$ 2,307,686.71</u>

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
Tax Rate	<u>\$3.666</u>	<u>\$3.606</u>	<u>\$3.367</u>	<u>\$3.217</u>	<u>\$6.513</u>
Apportionment of Tax Rate:					
Municipal	\$.833	\$.802	\$.775	\$.745	\$1.563
County	.559	.569	.524	.529	1.081
County Library	.044	.044	.044	.043	.085
County Open Space Preservation Trust Fund	.039	.042	.042	.043	.085
Consolidated Local School	1.324	1.279	1.197	1.144	2.296
Regional High School	.867	.870	.785	.713	1.403

**Assessed
Valuation**

2014	\$186,448,059.00	
2013	190,013,917.00	
2012	191,774,796.00	
2011	191,503,120.00	(1)
2010	91,603,814.00	

(1) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2014	\$6,848,001.91	\$6,478,598.10	94.61%
2013	6,857,798.17	6,557,539.68	95.62%
2012	6,460,100.02	6,122,926.94	94.78%
2011	6,185,960.03	5,867,157.30	94.84%
2010	6,344,608.94	6,067,356.96	95.63%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$52,461.96	\$298,483.22	\$350,945.18	5.12%
2013	30,227.49	254,266.40	284,493.89	4.15%
2012	1,375.48	321,000.73	322,376.21	4.99%
2011	3,811.38	299,123.10	302,934.48	4.89%
2010	1,249.66	273,652.94	274,902.60	4.33%

Note 3: **PROPERTY TAXES (CONT'D)**

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2014	5
2013	6
2012	2
2011	2
2010	1

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$231,000.00
2013	231,000.00
2012	231,000.00
2011	231,000.00
2010	231,000.00

Note 5: **WATER AND SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of Water and Sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2014	\$16,280.27	\$3,012.95	\$1,066,496.51	\$1,085,789.73	\$1,065,306.82
2013	17,258.75	---	1,012,058.60	1,029,317.35	1,010,266.36
2012	9,471.95	3,016.31	1,006,912.96	1,019,401.22	999,126.16
2011	13,336.21	3,016.31	1,040,518.74	1,056,871.26	1,044,383.00
2010	9,281.29	3,016.31	1,068,988.87	1,081,286.47	1,065,104.29

Note 6: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2014	\$1,130,553.48	\$350,000.00	30.96%
2013	1,353,278.64	371,500.00	27.45%
2012	1,244,935.31	221,500.00	17.79%
2011	1,432,405.75	221,500.00	15.46%
2010	1,324,529.06	223,675.00	16.88%
<u>Water and Sewer Utility Operating Fund</u>			
2014	\$219,345.43	\$171,400.00	78.14%
2013	223,565.64	131,000.00	58.60%
2012	253,725.91	132,000.00	52.02%
2011	206,470.01	140,000.00	67.81%
2010	267,617.31	150,000.00	56.05%

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 360.80	
Federal, State and Other Grant Fund		\$ 22.42
Trust Other Fund		15,731.06
Water and Sewer Utility Operating Fund	15,725.18	332.50
	<u>\$ 16,085.98</u>	<u>\$ 16,085.98</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2015, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

The Borough of Swedesboro contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS) that is administered by the New Jersey Division of Pensions and Benefits. In addition, the Borough also offers eligible employees and officials the opportunity to participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase was effective with the payroll period that began immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Borough</u>
2014	\$10,430.00	\$41,999.00	\$52,429.00	\$52,429.00
2013	14,555.00	37,739.00	52,294.00	52,294.00
2012	16,944.00	37,127.00	54,071.00	54,071.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a single-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The 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 by N.J.S.A. 43:15C-1 et. seq.

Note 8: **PENSION PLANS (CONT'D)**

Defined Contribution Retirement Program (Cont'd) - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough did not have any employees participate in the DCRP program during 2014, 2013 and 2012.

Early Retirement Incentive Program – The Borough of Swedesboro submitted an Early Retirement Incentive (ERI) Program Application to the Division of Local Government Services in 2009 under P.L. 1999, Chapter 59. One PFRS employee applied for early retirement under this program and the New Jersey Division of Pensions estimated a present value liability of \$192,005 as of June 1, 2009. The provision of Chapter 59 allows for an employer to elect to pay the additional pension liability either in a lump sum or through annual installments over a period not to exceed 15 years. The Borough elected to fund the liability over 5 years with an estimated accrued interest rate of 8.25%. Estimated annual installment of principal and interest at the time of actuary calculation was \$55,978 from April 1, 2012 to April 1, 2016. In 2014, the Borough was billed and paid the actual liability of \$55,169.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 9: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

Plan Description - The Borough 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 N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2009, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 63-2009.

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 www.state.nj.us/treasury/pensions/.

Eligibility Policy - Only under certain circumstances do Borough employees receive paid health benefits at retirement based on a Borough policy, a union contract or a legal settlement. The Borough currently has an agreement to pay health benefits to (1) one retired employee. This agreement provides for fully paid health benefits until, the retiree becomes eligible for a federal or state health benefit program after which they would only be eligible to receive supplemental health insurance.

Note 9: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

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 on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expense related to these benefits.

The Borough contributions to SHBP for the years ended December 31, 2014, 2013 and 2012 were \$14,214.60, \$13,559.28, and \$15,489.28, respectively, which equaled the required contributions for each year. There were approximately 1, 1, and 2 retired participants eligible at December 31, 2014, 2013 and 2012, respectively.

Note 10: **COMPENSATED ABSENCES**

Public Works Department – By contract, employees are not allowed to accrue vacation time. The sick pay policy dictates that each eligible employee shall be entitled to twelve (12) days of sick leave without loss of pay. Unused sick days can be carried forward up to a maximum of 30 days.

Furthermore, Public Works employees are entitled to, after twenty (20) years of service and, upon, separation or retirement will be paid for the unused earned sick leave up to a maximum of 30 days. The total payment will be made in four (4) equal payments over a period of one (1) year. This same benefit will also, at the employee's death, be payable to the employee's beneficiary in the same manner.

Non-contract Employees - Full-time employees are entitled to paid sick and vacation leave days each year based on the number of years of service. Sick and vacation days not used during the year may not be accumulated and carried forward unless authorized by the Borough Council.

The Borough does not record accrued expenses related to compensate absences. However, it is estimated that, at December 31, 2014, accrued benefits for compensated absences are valued at \$12,292.72.

Note 11: **DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

Note 12: **LEASE OBLIGATIONS**

At December 31, 2014 , the Borough had lease agreements in effect for the following:

Operating:
One (1) IS-350 Mailing Machine

The following is an analysis of the operating lease.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$779.88
2016	649.90

Rental payments under operating leases for the year 2014 were \$779.88.

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$3,275,588.59	\$3,463,662.98	\$3,141,578.28
Water and Sewer Utility:			
Bonds and Notes	1,909,000.00	1,999,000.00	2,079,000.00
Total Issued	5,184,588.59	5,462,662.98	5,220,578.28
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	243,855.00	191,855.00	481,855.00
Total Authorized but Not Issued	243,855.00	191,855.00	481,855.00
Total Issued and Authorized but Not Issued	5,428,443.59	5,654,517.98	5,702,433.28
Deductions:			
General Debt	80,000.00	110,000.00	
Self-liquidating Debt	1,909,000.00	1,999,000.00	2,079,000.00
Total Deductions	1,989,000.00	2,109,000.00	2,079,000.00
Net Debt	\$3,439,443.59	\$3,545,517.98	\$3,623,433.28

Note 13: **CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.635%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$3,003,006.47	\$3,003,006.47	
Consolidated Local School District	5,790,697.24	4,494,170.61	\$1,296,526.63
Water and Sewer Utility	1,909,000.00	1,909,000.00	
General	3,519,443.59	80,000.00	3,439,443.59
	<u>\$14,222,147.30</u>	<u>\$9,486,177.08</u>	<u>\$4,735,970.22</u>

Net Debt \$4,735,970.22 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$179,766,824.67 equals 2.635%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$6,291,838.86
Net Debt	<u>4,735,970.22</u>
Remaining Borrowing Power	<u>\$1,555,868.64</u>

**Calculation of "Self Liquidating Purpose,"
Water and Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$1,240,140.61
Deductions:	
Operating and Maintenance Cost	\$982,000.00
Debt Service per Water and Sewer Fund	<u>163,647.50</u>
Total Deductions	<u>1,145,647.50</u>
Excess in Revenue	<u>\$94,493.11</u>

Note 13: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and Green Trust Loans Issued and Outstanding**

<u>Year</u>	<u>General</u>		<u>Water and Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$88,236.68	\$69,358.30	\$90,000.00	\$71,622.50	\$319,217.48
2016	88,402.24	66,792.74	90,000.00	68,922.50	314,117.48
2017	88,571.12	64,123.85	90,000.00	66,110.00	308,804.97
2018	108,743.40	61,026.58	90,000.00	63,185.00	322,954.98
2019	108,919.15	57,475.83	100,000.00	59,972.50	326,367.48
2020-24	573,716.00	226,387.72	570,000.00	240,437.50	1,610,541.22
2025-29	680,000.00	101,132.50	720,000.00	111,192.50	1,612,325.00
2030	139,000.00	2,953.75	159,000.00	3,378.75	304,332.50

Note 14: **CHANGE ORDERS**

During the year 2014, the Borough amended contracts by approving the following change orders that resulted in the total amount of change orders executed for these projects to exceed the originally awarded contract price by more than 20 percent:

Funding**Project Description**

New Jersey DOT Grant

Resurfacing of Allen Street from Kings Highway to 3rd Street

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Borough has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 15: **JOINT INSURANCE POOL**

The Borough of Swedesboro is a member of the Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund (Fund). The Fund is a member of the Municipal Excess Liability Joint Insurance Fund (MEL).

The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

Note 15: **JOINT INSURANCE POOL (CONT'D)**

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Borough with the following coverage:

- Property
- Boiler and Machinery
- General Liability
- Blanket Crime
- Public Official Bond
- Workers' Compensation
- Public Officials Liability
- Employment Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2014, which can be obtained from:

Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund
6000 Sagemore Drive Suite 6203
PO BOX 488
Marlton, New Jersey 08053

Note 16: **LITIGATION**

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

APPENDIX C

FORM OF BOND COUNSEL'S OPINION



May 3, 2016

Mayor and Borough Council
of the Borough of Swedesboro
1500 Kings Highway
Swedesboro, New Jersey

**RE: \$1,680,000 BOROUGH OF SWEDESBORO, COUNTY OF GLOUCESTER,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2016**

Ladies and Gentlemen:

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

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Borough Council and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Borough Council on April 4, 2016 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on April 27, 2016 ("Award Certificate").

The Bonds are dated their date of delivery, mature on May 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 interest rates per annum in the table below, payable semi-annually on May 1 and November 1, commencing May 1, 2017, in each year until maturity or earlier redemption.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$75,000	1.500%	2024	\$140,000	2.000%
2018	100,000	1.500	2025	145,000	2.000
2019	110,000	2.000	2026	150,000	2.000
2020	120,000	2.000	2027	150,000	2.000
2021	125,000	2.000	2028	150,000	2.125
2022	130,000	2.000	2029	150,000	2.250
2023	135,000	2.000			

COUNSEL WHEN IT MATTERS.SM



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

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the cost of various general capital and sewer utility improvements by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Borough; (ii) permanently finance the costs of various other general capital improvements for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

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

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

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

1. The 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, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal and interest on the 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 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 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 tax-exempt obligations, including the Bonds, is not excludable in calculating certain corporation's "adjusted current earnings." Accordingly, a portion of the interest on the Bonds received or accrued by a corporation that owns the 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 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 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 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 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 Bonds.

Ownership of the 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, 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 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 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 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 designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the 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 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 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 AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 3rd day of May, 2016 between the Borough of Swedesboro, County of Gloucester, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Bonds, Series 2016, in the aggregate principal amount of \$1,680,000 ("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 Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the 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.

"Commission" shall have the meaning set forth in Section 1 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.

"Dissemination Agent" shall mean Phoenix Advisors LLC, Bordentown, New Jersey, or any successor Dissemination Agent designated in writing by the Borough and which has filed with the Borough a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the 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.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"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 Commission as a repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement of the Borough, dated April 27, 2016, relating to the Bonds.

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

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough (commencing for the fiscal year ending December 31, 2016). 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 Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Borough, shall submit each 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 Disclosure Agreement to the National Repository and 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 date 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 (with a copy of said notice to the Borough) 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, 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 statements 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 Division of Local Government Services in the New Jersey Department of Community Affairs 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 Reporting Obligations. The reporting obligations of the Borough under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Borough is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borough may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change

or modify the rights or obligations of the Dissemination Agent without its written assent thereto. 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 may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, 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. A failure of the Borough to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. 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.

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 Swedesboro
1500 Kings Highway
PO Box 56
Swedesboro, New Jersey 08085
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

BOROUGH OF SWEDESBORO, NEW JERSEY

By: _____
ELIZABETH PIGLIACELLI,
Chief Financial Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By: _____
SHERRY L. TRACEY, Senior Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Borough of Swedesboro, County of Gloucester, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2016

Date of Issuance of the Affected
Bond Issue: May 3, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated May 3, 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,
as Dissemination Agent

cc: Borough of Swedesboro, New Jersey