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**OFFICIAL STATEMENT DATED MARCH 29, 2017**


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*In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, assuming continuing compliance by the City of Camden (the "City") with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended ("Code"), for purposes of computing the federal alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds. Further, in the opinion of Bond Counsel, under current law interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$12,530,000**  
**CITY OF CAMDEN**  
**IN THE COUNTY OF CAMDEN, NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2017**  
**(Qualified Pursuant to the Provisions of the Municipal Qualified**  
**Bond Act, P.L. 1976, c.38, as amended)**  
**(Book-Entry Only) (Non-Callable)**

**Dated:** Date of Delivery**Due:** April 1, as shown on inside front cover

The \$12,530,000 aggregate principal amount of General Obligation Bonds, Series 2017 (Qualified pursuant to the provisions of the Municipal Qualified Bond Act, constituting P.L. 1978 c.38, as amended ("Municipal Qualified Bond Act")) ("Bonds"), of the City of Camden, in the County of Camden, New Jersey ("City") 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 principal office of the City, as bond registrar and paying agent (the "Paying Agent"). Interest on the Bonds is payable semiannually on April 1 and October 1 ("Interest Payment Dates"), commencing October 1, 2017, in each year until maturity. The Bonds are not subject to redemption prior to their stated maturity dates.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("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 of and interest on the Bonds will be made by the Paying Agent directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein 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 DTC participant to receive payment of the principal of and interest on such Bond.

The City is issuing the Bonds 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) the Municipal Qualified Bond Act; (iii) various bond ordinances, finally adopted by the City Council and published in accordance with the requirements of the Local Bond Law; (iv) a resolution adopted by the City Council on March 22, 2017; and (v) a Certificate of Determination and Award executed by the Finance Director of the City.

The proceeds of the Bonds will be used to: (i) refund, on a current basis, \$7,530,000 in aggregate principal amount of outstanding bond anticipation notes of the City maturing April 12, 2017; (ii) finance the demolition and removal of abandoned buildings and structures in the City and the purchase of vehicles and equipment in the amount of \$5,000,000; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The full faith and credit of the City are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the City payable as to principal and interest from ad valorem taxes to be levied upon all taxable property in the City without limitation as to rate or amount. The Bonds are also entitled to the benefits of the Municipal Qualified Bond Act. See "SECURITY AND SOURCES OF PAYMENT" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



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

*The Bonds are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Teaneck, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the City by its City Attorney, Marc Riordino, Esquire, Camden, New Jersey. Phoenix Advisors, LLC has served as Municipal Advisor in connection with the Bonds. Delivery of the Bonds is further subject to certain other conditions set forth herein. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about April 11, 2017.*

**\$12,530,000**  
**CITY OF CAMDEN**  
**County of Camden, New Jersey**  
**GENERAL OBLIGATION BONDS, SERIES 2017**  
**(Qualified Pursuant to the Provisions of the**  
**Municipal Qualified Bond Act, P.L. 1976, c.38, as amended)**

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

<b>April 1</b> <b><u>Year</u></b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP*</u></b>
2018	\$ 750,000	3.00 %	1.12%	133051SP8
2019	900,000	5.00	1.53	133051SQ6
2020	930,000	5.00	1.90	133051SR4
2021	950,000	5.00	2.25	133051SS2
2022	1,500,000	5.00	2.50	133051ST0
2023	1,500,000	5.00	2.75	133051SU7
2024	1,500,000	3.00	3.00	133051SV5
2025	1,500,000	3.00	3.10	133051SW3
2026	1,500,000	3.125	3.20	133051SX1
2027	1,500,000	3.25	3.30	133051SY9

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

**CITY OF CAMDEN  
COUNTY OF CAMDEN, NEW JERSEY**

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**Mayor and City Council**

Dana L. Redd	Mayor
Francisco Moran	Council President
Curtis Jenkins	Vice President
Dana M. Burley	Councilperson
Brian K. Coleman	Councilperson
Angel Fuentes	Councilmember At Large
Luis A. Lopez, Ph.D.	Councilperson
Marilyn Torres	Councilmember At Large

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**Business Administrator**

Robert Corrales

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**Finance Director**

Glynn Jones

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**Municipal Clerk**

Luis Pastoriza, M.S.M., R.M.C.

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**City Attorney**

Marc Riondino  
Camden, New Jersey

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**Auditor**

Bowman & Company LLP  
Voorhees, New Jersey

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**Bond Counsel**

DeCotiis, FitzPatrick, Cole & Giblin, LLP  
Teaneck, New Jersey

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**Municipal Advisor**

Phoenix Advisors, LLC  
Bordentown, New Jersey

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No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expression of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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

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

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, other than the City, will have passed upon the accuracy or adequacy of this Official Statement.

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

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Appendix E - Specimen Municipal Bond Insurance Policy”.

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## **OFFICIAL STATEMENT**

### **RELATING TO**

**\$12,530,000**

**CITY OF CAMDEN**

**County of Camden, New Jersey**

**GENERAL OBLIGATION BONDS, SERIES 2017**

**(Qualified Pursuant to the Provisions of the**

**Municipal Qualified Bond Act, P.L. 1976, c.38, as amended)**

**(Book-Entry Only) (Non-Callable)**

### **INTRODUCTION**

The purpose of this Official Statement, including the cover page hereof, inside front cover page and the appendices attached hereto, is to provide certain information relating to the issuance by the City of Camden, County of Camden, New Jersey ("City"), of its \$12,530,000 aggregate principal amount of General Obligation Bonds, Series 2017 (Qualified pursuant to the provisions of the Municipal Qualified Bond Act, constituting P.L. 1976, c.38, as amended ("Municipal Qualified Bond Act")) ("Bonds").

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

### **THE BONDS**

#### **General Description**

The Bonds will be issued in the aggregate principal amount of \$12,530,000, will be dated their date of issuance and bear interest from that date at the rates set forth on the inside front cover page hereof. Interest on the Bonds will be payable semiannually on April 1 and October 1 ("Interest Payment Dates"), commencing on October 1, 2017, in each year until maturity. The Bonds will mature on April 1 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement. The Bonds are not subject to redemption prior to maturity.

The Bonds will be issued in fully registered book-entry only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Bonds at the offices of the City, as bond registrar and paying agent ("Paying Agent"). 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 City for such purpose at the City as of the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date ("Record Date").

So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursements of such payments to the DTC Participants ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as herein defined) of the Bonds is the responsibility of the DTC Participants and not the City. See "THE BONDS - Book-Entry Only System" herein.

### **Book-Entry Only System\***

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), 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 City. Accordingly, the City does not make any representations concerning these matters.

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 series of the Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

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

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\* Source: The Depository Trust Company



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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices 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 Bonds, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or agent, on the payable date in accordance with their respective

holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants is 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 City or the agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

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

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

In the event that the book-entry only system for the Bonds is discontinued, the City has provided that upon receipt of the Bond certificates from DTC and the Participant information, the City will authenticate (or cause to be authenticated) and deliver definitive Bonds to the holders thereof, and the principal of and interest on the Bonds will be payable and the Bonds may thereafter be transferred or exchanged in the manner described in the Bond certificates so provided.

### **Redemption Provisions**

The Bonds are not subject to redemption prior to maturity.

**PURPOSE OF THE BONDS**

The Bonds are being issued by the City to provide funds which will be used to: (i) refund, on a current basis, \$7,530,000 in aggregate principal amount of outstanding bond anticipation notes of the City maturing April 12, 2017 (the “2016 Prior Notes”); (ii) finance the demolition and removal of abandoned buildings and structures in the City and the purchase of various vehicles and equipment in the amount of \$5,000,000; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

**AUTHORIZATION AND USE OF PROCEEDS**

The City is issuing the Bonds 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) the Municipal Qualified Bond Act; (iii) various bond ordinances, finally adopted by the City Council and published in accordance with the requirements of the Local Bond Law; (iv) a resolution adopted by the City Council on March 22, 2017; and (v) a Certificate of Determination and Award executed by the Finance Director of the City.

The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the City, which bond ordinances are described on the following table by ordinance number, description and date of final adoption, amount of the 2016 Prior Notes being refunded with the Bonds, and amount of new money. Said ordinances were qualified by the Local Finance Board by resolutions duly adopted on January 14, 2015, February 11, 2015, and May 11, 2016, and the combined maturity schedule for the Bonds was approved by the Local Finance Board on March 8, 2017. The bond ordinances are:

<u>Bond Ordinances</u>			
<b>Ordinance Number</b>	<b>Description and Date of Final Adoption</b>	<b>Amount of 2016 Prior Notes Being Refunded With The Bonds</b>	<b>Amount of New Money</b>
4889	Purchase and installation of security camera equipment to complete City wide security surveillance system, finally adopted on March 10, 2015.	\$2,260,000	\$ 0
4888	Various repairs and improvements to various firehouses in the City, finally adopted on March, 2015.	2,370,000	0
4877	Various capital improvements, finally adopted on March 10, 2015.	2,900,000	0
4965	Demolition and removal of abandoned buildings and structures in and by the City, finally adopted on July 12, 2016, as amended by Ordinance No. MC-5012 on November 10, 2016.	<u>0</u>	<u>5,000,000</u>
<b>TOTAL:</b>		<u>\$7,530,000</u>	<u>\$5,000,000</u>
<b>TOTAL BONDS:</b>			<u>\$12,530,000</u>

## **SECURITY AND SOURCE OF PAYMENT**

### **General**

The Bonds are valid and legally binding general obligations of the City, and the City has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. Unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied upon all the taxable real property within the City without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights or to the application of general principles of equity by a court of competent jurisdiction.

### **Municipal Qualified Bond Act**

In addition to being secured by the pledge of the City's full faith and credit, the Bonds are entitled to the benefits of the Municipal Qualified Bond Act. Pursuant to the Municipal Qualified Bond Act, a portion of certain State aid allocated to the City, in amounts sufficient to pay debt service on such bonds, is to be withheld by the State Treasurer and forwarded to the Paying Agent on or before the principal and interest payment dates for such bonds for deposit into accounts established for the purpose of paying debt service on such bonds.

Pursuant to the provisions of the Municipal Qualified Bond Act, the City shall certify to the State Treasurer the name and address of the Paying Agent, maturity schedule, interest rate or rates and dates of payment of debt service on any Qualified Bonds within ten (10) days after the issuance thereof. After receipt of such certificate, the State Treasurer is required to withhold with respect to such bonds from the amount of business and personal property tax replacement revenues, State urban aid, State revenue sharing, gross receipts tax revenues (now known as "energy receipts" tax revenues), municipal purposes tax assistance fund distributions and certain other funds appropriated as State aid payable to the City and not dedicated to a specific purpose by the State (the "municipal qualified revenues") an amount which will be sufficient to pay debt service on such bonds as it becomes due. Municipal qualified revenues do not include Aid to Distressed Cities.

The Municipal Qualified Bond Act provides that the municipal qualified revenues so withheld and paid or to be paid to and held by the Paying Agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered or applied toward paying the debts of the City other than the payment of debt service on any such Qualified Bonds of the City issued for municipal purposes (including fiscal year adjustment or pension obligation purposes) or water utility purposes and entitled to the benefits of the Municipal Qualified Bond Act.

The Municipal Qualified Bond Act does not relieve the City of its obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest becoming due on any such Qualified Bonds. However, such budgeted amounts may be applied to the payment of operating expenses of the City for the then current year to the extent that appropriated amounts have been withheld from the municipal qualified revenues payable to the City and have been forwarded to the Paying Agent. Such budgeted amounts must be used to pay debt service becoming due on any such Qualified Bonds of the City issued for municipal purposes (including fiscal year adjustment or pension obligation purposes) or water utility

purposes and entitled to the benefits of the Municipal Qualified Bond Act in any year in which sufficient municipal qualified revenues are not appropriated.

The State has covenanted in the Municipal Qualified Bond Act with the holders of bonds entitled to the benefits of such act, that it will not repeal, revoke, rescind, modify or amend the provisions of such act providing for the withholding of municipal qualified revenues and payment of such revenues to the Paying Agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from such revenues which is prior in time or superior in right to the payment of debt service on such bonds.

The Municipal Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State Legislature. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or prohibited from repealing or amending any law heretofore or hereafter enacted for the payment or apportionment of such amounts or in the manner, time or amount thereof. Further, the amount payable to the Paying Agent does not constitute an additional source of revenues available to the City.

The City received a total of \$113,086,963 municipal qualified revenues appropriated by the State to the City in the fiscal year ending June 30, 2016. This amount consisted of \$68,211,336 in Consolidated Municipal Property Tax Relief Act (“CMPTRA”) revenue, \$16,000,000 in Transitional Aid and \$32,875,627 of Energy Receipt (“ERT”) revenue.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2016 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$496.7 million, \$65.2 million and \$431.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The

Credit Insights videos are easily accessible on BAM's website at [buildamerica.com/creditisights/](http://buildamerica.com/creditisights/). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [buildamerica.com/obligor/](http://buildamerica.com/obligor/). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

The Local Bond Law governs the issuance of bonds and notes by counties and municipalities ("local units" or, individually, "local unit") to finance certain general municipal and Water-Sewer Utility expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in annual installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the local unit are general full faith and credit obligations.

### Debt Limits

The authorized bonded indebtedness of the local unit for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its average equalized valuation basis.

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

The City of Camden has not exceeded its statutory debt limit. See “Appendix A: Certain Economic, Demographic and Operating Data regarding the City of Camden.”

#### Exceptions to Debt Limits - Extension of Credit

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

#### Short-Term Financing

The City may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. A local unit’s bond anticipation notes must mature within one year, but may be renewed for additional one year terms. However, all bond anticipation notes, including renewals, must mature and be paid 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 notes. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year’s legally payable installment of the bonds in anticipation of which those notes are issued is paid and retired on or before each anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates.

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

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



Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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

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

### Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

### Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "Reserve for Uncollected Taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by the close of that year. The budget also must provide for any cash deficits of the prior year.

### Deferral of Current Expenses

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

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over

three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, expenses of a municipal consolidation commission, contractually required severance liabilities and sanitary or storm system map preparation which may be amortized over five (5) years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project, and emergency appropriations for other purposes may be funded by refunding bond ordinance over a period approved by the Local Finance Board.

### Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

### Operations of Utilities

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

### Capital Budget

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### Appropriation and Tax Levy "CAPS"

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A: 4-45. 1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat

complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of two and one-half percent (2.5%) or the “Index Rate”. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things, including capital expenditures. Counties are also prohibited from increasing their tax levies by more than the lesser of two and one-half percent (2.5%) or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to three and one-half percent (3.5%) over the prior year’s appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to three and one-half percent (3.5%) over the prior years’ tax levy in years when the Index Rate is two and one-half percent (2.5%) or less.

Additionally, P.L 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to two percent (2%).

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of two percent (2%); (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%) 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 cap sections of the "Cap Law" (specifically, N.J.S.A. 40A:45.44-46) in 2010 no longer permit Municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the City to levy ad valorem taxes upon all taxable real property within the City to pay debt service on its bonds or notes.

#### Fiscal Year Adjustment Law

Chapter 75 of the Pamphlet Laws of 1991, signed into law on March 28, 1992, required certain municipalities and permits all other municipalities to adopt the state fiscal year in place of

the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six-month transition budget for January to June. Since expenditures would be expected to exceed revenues primarily because state aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the Act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one-time deficit for the six-month transition budget. The Act provides that the deficit in the six-month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six-month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one year unless the Local Finance Board permits the municipality to renew them for a further period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the Act is to assist municipalities that are heavily dependent on state aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the Act does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well. The City of Camden has not changed its fiscal year.

#### State Supervision

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

#### Tax Assessment and Collection Procedure

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

Upon the filing of certified adopted budgets by the municipality's local school district, fire district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills for calendar-year municipalities are generally mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to c. 75, P.L. 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with New Jersey Statutes.

### Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, a municipality must mail to each property-owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority, after a hearing, to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

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

## **SECONDARY MARKET DISCLOSURE**

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

The City has appointed Phoenix Advisors, LLC, Bordentown, New Jersey to act as Continuing Disclosure Agent/Dissemination Agent to assist in the filing of certain information on EMMA as required under its obligations.

## **GENERAL INFORMATION REGARDING THE CITY**

The City, a municipal corporation, is located directly across the Delaware River from Philadelphia in Southwest New Jersey. The City was incorporated in 1828, covers a land area of approximately 10 square miles and is the county seat of Camden County. It is part of the Philadelphia Standard Metropolitan Statistical Area ("SMSA"). The Philadelphia SMSA includes nine (9) counties in New Jersey and Pennsylvania, as follows: New Jersey - Burlington, Camden, Gloucester; Pennsylvania - Bucks, Chester, Delaware, Mercer, Montgomery, Philadelphia.

Appendix "A" to this Official Statement contains economic, demographic and operating data. Appendix "B" to this Official Statement contains audited financial statements of the City for the years ended June 30, 2016 and 2015. Copies of the complete Reports of Audit may be obtained upon request to the office of the Finance Director of the City.

### **Government**

The City operates under a Mayor-Council form of government. All legislative power of the City is exercised by the City Council, including final adoption of spending legislation such as budgets and bond authorizations. The Mayor is chief executive and administrative officer of the City and, as such, is responsible for administering local laws and policy development. Since 2002, the City has operated under the Municipal Rehabilitation and Economic Recovery Act (MRERA) that was passed to stabilize the City financially and economically. The City believes this partnership with the State has been and continues to be beneficial.

The Mayor is elected to a four-year term without limitation as to the number of terms that may be served. The City Council consists of seven (7) persons, elected biennially, for staggered four-year terms.

The specific powers of the Mayor include various appointments, preparation of the City's budget, and approval or veto (which may be overridden by a 2/3 vote of the City Council) of ordinances adopted by the City Council. With the advice and consent of the City Council, the Mayor appoints the Business Administrator, the City Attorney and the Directors of the various City departments. The Mayor also has the power to appoint members of several authorities under the City's jurisdiction.

The nine (9) departments within the municipal government are presently Administration, Finance, Public Works, Human Services, Fire, Code Enforcement, Police, Planning and Development and Law. Principal services provided by the municipal government include police and fire protection, street maintenance and cleaning, parks, water and sewers.

## **Public Safety**

The police department of the City was dissolved in 2012 in favor of a newly created Metro Division of the Camden County Police Department. Under the new policing regime, the number of law enforcement officers patrolling the neighborhoods and business corridors has nearly doubled. High tech video, sensor equipment and GPS devices in cars and radios have improved efficiency and response time. Recent statistics show crime has decreased dramatically.

## **Education**

The City's public school system is a State operated Type I school district, educating students in grades pre-K through twelfth grade. The State of New Jersey has assumed control of the School District. Initiatives have been undertaken to improve the efficiency and effectiveness of the School District.

The City has an active and growing charter school community which includes among others:

- Camden's Academy Charter High School
- Camden Community Charter School\*
- Camden's Pride Charter School
- Camden's Promise Charter School
- City Invincible Charter School
- D.U.E. Season Charter School
- Environment Community Opportunity Charter School
- Freedom Academy Charter School
- Institute for Excellence Charter School
- Kingdom Charter School of Leadership
- KIPP Cooper Norcross Academy at Lanning Square
- Knowledge A to Z Charter School
- Leap Academy

\*Renewal application was denied for 2017-2018.

## **Transportation**

The City is a gateway to New Jersey directly connected to the City of Philadelphia by the Ben Franklin and Walt Whitman Bridges and the Port Authority Transit Corporation ("PATCO") high speed line. The City is the third busiest transportation hub in the State providing public transportation via NJ Transit RiverLINE, NJ Transit Buses, RiverLink Ferry and PATCO. There is commutation access to Philadelphia via the Walt Whitman and Benjamin Franklin Bridges and the PATCO, which connects the City to employment opportunities in other parts of the County.

The City is served by a comprehensive network of highways including I-676, I-295, U.S. 30 and U.S. 130. Conrail operates its rail service out of the Pavonia yard, the main classification yard for Southern New Jersey, connecting Camden to all areas of the Northeast Corridor.

Access to international markets is provided via the South Jersey Port Authority and the nearby Philadelphia International Airport.

**Building Permits and Estimated Construction Costs**

<u>Year</u>	<u>Total Building Permits</u>	<u>Estimated Construction Cost</u>
2016	2,255	\$183,552,195
2015	1,887	156,007,191
2014	1,587	31,600,360
2013	1,713	30,832,022
2012	1,440	58,956,662

**Retirement Systems**

All full-time permanent or qualified City employees who began employment after 1944 must enroll in one (1) of two (2) retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The City is enrolled in the Public Employees' Retirement System (“PERS”) and the Police and Firemen's Retirement System (“PFRS”).

**Pension Information**

Employees, who are eligible to participate in a pension plan, are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The City’s share of pension costs in 2016, which is based upon the annual billings received from the State, amounted to \$2,474,286 for PERS and \$5,105,116 for PFRS.

**LITIGATION**

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



## TAX MATTERS

The City has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Internal Revenue Code of 1986, as amended (“Code”). Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, to be delivered at the time of original issuance of the Bonds, assuming continuing compliance by the City with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings" (see discussion below). No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the Bonds.

The Code imposes certain significant ongoing requirements that must be met after the issuance and delivery of the Bonds in order to assure that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the Bonds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The City has covenanted that it shall do and perform all acts permitted by law that are necessary or desirable to assure that interest on the Bonds will be and will remain excluded from gross income for federal income tax purposes. The City will deliver its Arbitrage and Tax Certificate concurrently with the issuance of the Bonds, which will contain provisions relating to compliance with the requirements of the Code, including certain covenants in that regard by the City. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In the opinion of Bond Counsel, under current law, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

The opinions of Bond Counsel are limited to and based upon the laws and judicial decisions of the State and the federal laws and judicial decisions of the United States of America as of the date of the opinions, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for their opinions or to any laws or judicial decisions hereafter enacted or rendered. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken after the date of the opinions or not taken in reliance upon an opinion of other

counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

*Alternative Minimum Tax.* Section 55 of the Code provides that an alternative minimum tax is imposed on corporations at a rate of twenty percent (20%). For purposes of the corporate alternative minimum tax, the Code includes an increase adjustment for computation of the alternative minimum tax consisting generally of seventy-five percent (75%) of the amount by which "adjusted current earnings" exceeds alternative minimum taxable income (computed without regard to this adjustment and the alternative tax net operating loss deduction). Thus, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings", a portion of that interest may be subject to an alternative minimum tax.

*Bank Qualification.* The Bonds will NOT be designated as qualified under Section 265 of the Code by the City for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

*Branch Profits Tax.* Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. 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 for purposes of the branch profits tax.

*S Corporation Tax.* Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt bonds, such as the Bonds, held by an S corporation would be included in the calculation of excess net passive income.

*Other Federal Tax Consequences.* Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt obligations. Owners of Bonds should consult their own tax advisors as to the applicability and the effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on S corporations, as well as the applicability and the effect of any other federal income tax consequences.

*Possible Government Action.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Bonds or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

## **RATINGS**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency"), is expected to assign its rating of "AA" (stable outlook) to the Bonds based upon the municipal bond insurance policy issued by BAM at the time of delivery of the Bonds. The Rating Agency has assigned an underlying rating of "BBB+" (stable outlook) to the Bonds based upon the credit worthiness of the City, and a rating of "BBB+" (negative outlook) to the Bonds, recognizing their qualification pursuant to the Municipal Qualified Bond Act.

The ratings reflect only the views of the Rating Agency and an explanation of the significance of such ratings may only be obtained from the Rating Agency. The City forwarded to the Rating Agency certain information and materials concerning the Bonds and the City. There can be no assurance that the ratings will be maintained for any given period of time or that the ratings 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 ratings, may have an adverse effect on the marketability or market price of the Bonds.

The Rating Agency's outlooks have been provided herein for informational purposes only and are not a part of the ratings described in the preceding paragraph. The outlooks are only the Rating Agency's forward-looking view of the City. The City has no obligation to treat any change in the outlooks as a "Material Event", as defined and described under the SEC Rule (as hereinafter defined) or under the provisions of the City's Continuing Disclosure Agreement, or to notify Bondholders as to any changes to the outlooks after the date hereof.

## **UNDERWRITER**

The Bonds have been purchased from the City at a public sale by Citigroup Global Markets Inc., New York, New York, as underwriter ("Underwriter") pursuant to a Certificate of Determination and Award at a purchase price of \$12,902,784.50. The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields set forth on the inside front cover 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 inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the City with respect to the issuance of the Bonds ("Municipal Advisor"). This Official Statement has been prepared with the assistance of the Municipal Advisor. Certain information set forth herein has been obtained from the City and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

## **FINANCIAL STATEMENTS**

The financial statements of the City as of June 30, 2016 and 2015 and for the years then ending included in Appendix B to this Official Statement have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their report appearing in Appendix B to this Official Statement.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the City should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 94-260, approved April 8, 1976, the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective October 22, 1994 and other bankruptcy laws affecting creditor's rights and local political subdivisions in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE CITY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY

PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Teaneck, New Jersey, Bond Counsel to the City, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth in Appendix C. Certain legal matters will be passed on for the City by the City Attorney.

### **CERTIFICATES OF THE CITY**

Upon the delivery of the Bonds, the City will deliver certificates to the Underwriter (as hereinafter defined), in form satisfactory to Bond Counsel and signed by officials of the City, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statements therein, in light of the circumstances under which they are made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in condition, financial or otherwise, of the City from that set forth in or contemplated by this Official Statement. In addition, the City will also deliver certificates to the Underwriter, in form satisfactory to Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and certificates dated as of the date of the delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds, as applicable, or the levy or collection of taxes to pay the Bonds or interest thereon, as applicable, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, as applicable, and that neither the corporate existence or boundaries of the City, nor the title of any of the said officer to the respective offices, is being contested.

### **PREPARATION OF OFFICIAL STATEMENT**

The City hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchaser of the Bonds, by a certificate signed by the Chief Financial Officer, that to his knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

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

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Glynn Jones, Finance Director, City of Camden, (856) 757-7582 or the City's Municipal Advisor, Phoenix Advisors, LLC, (609) 291-0130.

## **MISCELLANEOUS**

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

**CITY OF CAMDEN, COUNTY OF CAMDEN,  
NEW JERSEY**

**By: /s/ Glynn Jones**

\_\_\_\_\_  
GLYNN JONES, Finance Director

**Dated:** March 29, 2017

**APPENDIX A**

**CERTAIN ECONOMIC, DEMOGRAPHIC AND OPERATING DATA  
REGARDING THE CITY OF CAMDEN**

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**CERTAIN ECONOMIC, DEMOGRAPHIC AND OPERATING DATA**  
**REGARDING THE CITY OF CAMDEN<sup>1</sup>**

**Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>City</u></b>				
2015	27,095	24,094	3,001	11.1%
2014	26,992	23,502	3,490	12.9%
2013	27,669	23,380	4,289	15.5%
2012	28,516	23,483	5,033	17.6%
2011	29,082	23,559	5,523	19.0%
<b><u>County</u></b>				
2015	255,354	239,308	16,046	6.3%
2014	252,870	233,430	19,440	7.7%
2013	258,486	234,463	24,023	9.3%
2012	262,503	234,424	28,079	10.7%
2011	262,849	234,314	28,535	10.9%
<b><u>State</u></b>				
2015	4,545,083	4,291,650	253,417	5.6%
2014	4,518,715	4,218,423	300,277	6.6%
2013	4,537,800	4,166,000	371,800	8.2%
2012	4,595,500	4,159,300	436,200	9.5%
2011	4,556,200	4,131,800	424,400	9.3%

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

**Labor Contracts**

<b><u>Labor Contract Representing</u></b>	<b><u>Date of Contract Expiration</u></b>
Fire Unions 788 and 2578	12/31/2016*
CWA Unions	12/31/2017

\*In negotiations

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

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

	<b><u>City</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$26,705	\$60,976	\$71,180
Median Family Income	29,248	74,385	86,779
Per Capita Income	12,869	29,478	35,768

Source: US Bureau of the Census 2010

## **Population**

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

<b><u>Year</u></b>	<b><u>City</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2010	77,344	-2.49%	513,657	0.93%	8,791,894	4.49%
2000	79,318	-9.34	508,932	1.21	8,414,350	8.85
1990	87,492	3.04	502,824	6.61	7,730,188	4.96
1980	84,910	-17.20	471,650	3.37	7,365,001	2.75
1970	102,551	-12.47	456,291	16.39	7,168,164	18.15

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

## **Largest Taxpayers**

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

<b><u>Taxpayers</u></b>	<b><u>Description</u></b>	<b><u>2016 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Campbell Soup Company	Office/Manufacturing Buildings	\$42,378,000	2.54%
Camden Center Urban Renewal LP	Office Building	30,774,800	1.85%
Verizon – New Jersey (Class 6A)	Personal Property	27,992,609	1.68%
Pollution Control Authority	Industrial Building	18,004,100	1.08%
Camden 7 Realty LLC	Apartments	8,000,000	0.48%
Cooper Plaza Realty, LLC	Office Building	7,183,600	0.43%
South Jersey Acquisition Co. LLC	Nursing Home	6,865,200	0.41%
Harris Camden Realty LLC	Warehouse/Office Buildings	6,842,400	0.41%
Reldon Enterprises	Neighborhood Shopping Center	6,162,900	0.37%
2600 ME Holdings, LLC	Office Building	<u>5,200,000</u>	<u>0.31%</u>
<b>Total</b>		<b><u>\$159,403,609</u></b>	<b><u>9.56%</u></b>

Source: City of Camden

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2016	\$47,917,602	\$42,847,365	89.42%
2015	46,538,950	41,642,422	89.48%
2014	47,459,218	42,971,156	90.54%
2013	44,223,776	39,340,576	88.96%
2012	45,026,745	39,054,715	86.74%

Source: Annual Audit Reports of the City

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

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2016	\$58,331,168	\$476,321	\$58,807,489	122.73%
2015	55,477,318	528,335	56,005,653	120.34%
2014	52,066,090	598,037	52,664,127	110.97%
2013	48,821,777	563,096	49,384,873	111.67%
2012	47,126,625	726,618	47,853,243	106.28%

Source: Annual Audit Reports of the City

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

<b><u>Year</u></b>	<b><u>Amount</u></b>
2016	\$50,765,500
2015	50,714,900
2014	2,521,860
2013	2,515,260
2012	2,839,860

Source: Annual Audit Reports of the City

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

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

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total Taxes</u>
2016	\$1.529	\$0.429	\$0.903	\$2.861
2015	1.472	0.426	0.856	2.754
2014	1.436	0.423	0.829	2.688
2013	1.414	0.421	0.832	2.667
2012	1.378	0.411	0.700	2.489

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

## **Valuation of Property**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2016	\$1,667,539,260	\$1,617,399,864	103.10%	\$28,564,351	\$1,617,399,864
2015	1,676,843,199	1,536,837,319	109.11	27,992,609	1,536,837,319
2014	1,688,686,463	1,534,053,836	110.08	28,667,157	1,534,053,836
2013	1,701,156,637	1,545,382,119	110.08	27,655,511	1,573,037,630
2012	1,729,127,966	1,645,065,137	105.11	36,451,035	1,681,516,172

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

## **Classification of Ratables**

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2016	\$63,049,250	\$1,056,141,631	\$0	\$309,454,979	\$159,467,400	\$79,426,000	\$1,667,539,260
2015	63,724,750	1,065,892,626	0	313,489,823	154,249,600	79,486,400	1,676,843,199
2014	63,329,738	1,068,898,602	0	317,864,723	154,133,900	84,459,500	1,688,686,463
2013	61,164,838	1,072,579,476	0	323,919,823	156,304,200	87,188,300	1,701,156,637
2012	58,816,800	1,079,662,243	0	344,689,523	156,730,800	89,228,600	1,729,127,966

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

## Financial Operations

The following table summarizes the City's Current Fund budget for the past five (5) fiscal years ending June 30. This summary should be used in conjunction with the tables from which it is derived.

### **Summary of Current Fund Budget**

<u>Anticipated Revenues</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>
Fund Balance	\$6,441,929	\$15,899,999	\$14,228,483	\$11,691,100	\$14,179,978
Miscellaneous Revenues	119,703,470	140,286,548	136,758,056	149,689,950	151,988,663
Receipts from Delinquent Taxes	775,188	1,300,000	900,000	900,000	1,100,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>24,247,215</u>	<u>24,254,004</u>	<u>24,980,621</u>	<u>25,729,494</u>	<u>26,504,305</u>
Total Revenue:	<u>\$151,167,802</u>	<u>\$181,740,551</u>	<u>\$176,867,161</u>	<u>\$188,010,544</u>	<u>\$193,772,947</u>
<u>Appropriations</u>					
General Appropriations	\$136,235,530	\$103,815,808	\$104,331,952	\$105,416,359	\$109,968,195
Other Operations	500,000	500,000	500,000	5,120,481	994,383
Interlocal Municipal Service Agreements	0	62,000,000	62,000,000	64,504,800	66,394,896
Private & Public Progs Offset by Revs. Operations	<u>1,048,964</u>	<u>2,669,869</u>	<u>1,140,177</u>	<u>2,588,427</u>	<u>8,744,173</u>
	1,548,964	65,169,869	63,640,177	72,213,708	76,133,452
Deferred Charges and Stat. Expenditures	700,000	1,956,750	400,000	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	0	0	0	200,000	0
Municipal Debt Service	5,379,114	4,058,724	4,178,523	4,505,439	1,381,696
Reserve for Uncollected Taxes	<u>7,304,195</u>	<u>6,739,400</u>	<u>4,316,509</u>	<u>5,675,038</u>	<u>6,289,604</u>
Total Appropriations:	<u>\$151,167,802</u>	<u>\$181,740,551</u>	<u>\$176,867,161</u>	<u>\$188,010,544</u>	<u>\$193,772,947</u>

\*Introduced

Source: Annual Adopted Budgets of the City

## Fund Balance

### Current Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending June 30.

<u>Year</u>	<u>Fund Balance - Current Fund</u>	
	<u>Balance</u>	<u>Utilized in Budget</u>
	<u>6/30</u>	<u>of Succeeding Year</u>
2016	\$14,980,328	\$14,179,978
2015	11,692,075	11,691,100
2014	14,362,880	14,228,483
2013	24,014,470	15,899,999
2012	13,412,905	6,441,929

Source: Annual Audit Reports of the City

Water Utility Operating Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Water Utility Operating Fund for the past five (5) fiscal years ending June 30.

<b><u>Fund Balance - Water Utility Operating Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>6/30</u></b>	<b><u>of Succeeding Year</u></b>
2016	\$3,518,018	\$1,406,150
2015	7,692,739	5,726,380
2014	8,173,084	1,300,000
2013	6,983,476	2,573,400
2012	6,261,018	1,371,807

Source: Annual Audit Reports of the City

Sewer Utility Operating Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending June 30.

<b><u>Fund Balance - Sewer Utility Operating Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>6/30</u></b>	<b><u>of Succeeding Year</u></b>
2016	\$4,309,949	\$1,818,258
2015	3,837,941	618,927
2014	4,999,346	2,950,000
2013	7,774,089	4,150,000
2012	9,769,018	2,823,172

Source: Annual Audit Reports of the City

**City Indebtedness as of June 30, 2016**

<b>General Purpose Debt</b>	
Serial Bonds	\$7,130,000
Bond Anticipation Notes	8,280,000
Bonds and Notes Authorized but Not Issued	5,645,366
Other Bonds, Notes and Loans	<u>5,188,505</u>
Total:	\$26,243,871
<b>Local School District Debt</b>	
Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$0
<b>Self-Liquidating Debt</b>	
Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	7,795,236
Other Bonds, Notes and Loans	<u>47,011,682</u>
Total:	\$54,806,918
<b>TOTAL GROSS DEBT</b>	<b><u>\$81,050,789</u></b>
Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	0
Self-Liquidating Debt	<u>54,806,918</u>
Total:	\$54,806,918
<b>TOTAL NET DEBT</b>	<b><u>\$26,243,871</u></b>

Source: Annual Debt Statement of the City

**CITY OF CAMDEN  
SCHEDULE OF OUTSTANDING DEBT SERVICE  
BONDED DEBT ONLY <sup>(1)</sup>**

Fiscal Year Ending <u>June 30</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 450,000.00	\$ 236,950.00	\$ 686,950.00
2018	460,000.00	223,300.00	683,300.00
2019	475,000.00	209,275.00	684,275.00
2020	490,000.00	194,800.00	684,800.00
2021	505,000.00	179,875.00	684,875.00
2022	520,000.00	164,500.00	684,500.00
2023	540,000.00	148,600.00	688,600.00
2024	560,000.00	131,400.00	691,400.00
2025	580,000.00	112,150.00	692,150.00
2026	600,000.00	90,000.00	690,000.00
2027	625,000.00	65,500.00	690,500.00
2028	650,000.00	40,000.00	690,000.00
2029	675,000.00	13,500.00	688,500.00
	<u>\$ 7,130,000.00</u>	<u>\$ 1,809,850.00</u>	<u>\$ 8,939,850.00</u>

<sup>(1)</sup> As of June 30, 2016



**CITY OF CAMDEN  
SCHEDULE OF OUTSTANDING DEBT SERVICE  
LONG TERM LOANS <sup>(1)</sup>**

Fiscal Year Ending June 30	General						Grand Total
	Infrastructure Loans			Demolition Program Loans			
	Principal	Interest	Total	Principal	Interest	Total	
2017	\$ 66,575.62	\$ 7,462.88	\$ 74,038.50	\$ 531,100.00		\$ 531,100.00	\$ 605,138.50
2018	67,913.78	6,124.70	74,038.48	531,100.00		531,100.00	605,138.48
2019	69,278.83	4,786.94	74,065.77	531,100.00		531,100.00	605,165.77
2020	54,003.11	3,381.12	57,384.23	531,100.00		531,100.00	588,484.23
2021	41,094.01	2,434.21	43,528.22	531,100.00		531,100.00	574,628.22
2022	41,920.01	1,608.23	43,528.24	281,100.00		281,100.00	324,628.24
2023	42,762.59	765.64	43,528.23	281,100.00		281,100.00	324,628.23
2024	6,156.74	61.57	6,218.31	281,100.00		281,100.00	287,318.31
2025				200,000.00		200,000.00	200,000.00
2026				200,000.00		200,000.00	200,000.00
2027				200,000.00		200,000.00	200,000.00
2028				100,000.00		100,000.00	100,000.00
2029				100,000.00		100,000.00	100,000.00
2030				100,000.00		100,000.00	100,000.00
2031				100,000.00		100,000.00	100,000.00
2032				100,000.00		100,000.00	100,000.00
2033				100,000.00		100,000.00	100,000.00
2034				100,000.00		100,000.00	100,000.00
	<u>\$ 389,704.69</u>	<u>\$ 26,625.29</u>	<u>\$ 416,329.98</u>	<u>\$ 4,798,800.00</u>	<u>-</u>	<u>\$ 4,798,800.00</u>	<u>\$ 5,215,129.98</u>

Fiscal Year Ending June 30	Water Utility			Sewer Utility		
	Infrastructure Loans			Infrastructure Loans		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 3,585,279.88	\$ 579,870.02	\$ 4,165,149.90	\$ 2,023,874.47	\$ 397,302.50	\$ 2,421,176.97
2018	3,663,503.77	488,752.50	4,152,256.27	2,061,414.33	360,157.50	2,421,571.83
2019	3,759,781.20	392,175.00	4,151,956.20	2,088,845.95	321,118.75	2,409,964.70
2020	3,813,213.24	289,738.75	4,102,951.99	2,132,424.61	279,918.75	2,412,343.36
2021	3,575,322.72	184,668.75	3,759,991.47	2,163,396.47	236,518.75	2,399,915.22
2022	1,876,206.13	104,456.25	1,980,662.38	1,911,386.71	192,575.00	2,103,961.71
2023	1,024,006.92	64,262.50	1,088,269.42	1,049,185.28	159,187.50	1,208,372.78
2024	346,473.44	49,625.00	396,098.44	1,077,865.26	135,362.50	1,213,227.76
2025	351,473.44	44,600.00	396,073.44	881,327.49	115,825.00	997,152.49
2026	356,473.44	39,350.00	395,823.44	886,101.49	100,950.00	987,051.49
2027	361,473.44	34,037.50	395,510.94	909,367.73	85,775.00	995,142.73
2028	366,473.44	28,800.00	395,273.44	913,706.23	70,625.00	984,331.23
2029	371,473.44	23,500.00	394,973.44	828,998.18	55,250.00	884,248.18
2030	358,660.94	18,000.00	376,660.94	712,172.82	41,000.00	753,172.82
2031	253,035.94	13,800.00	266,835.94	473,421.04	31,400.00	504,821.04
2032	258,035.94	10,900.00	268,935.94	478,421.04	24,900.00	503,321.04
2033	258,035.94	7,900.00	265,935.94	488,421.04	18,100.00	506,521.04
2034	263,035.94	4,800.00	267,835.94	493,421.04	11,000.00	504,421.04
2035	202,024.10	1,600.00	203,624.10	393,947.60	3,700.00	397,647.60
	<u>\$ 25,043,983.30</u>	<u>\$ 2,380,836.27</u>	<u>\$ 27,424,819.57</u>	<u>\$ 21,967,698.78</u>	<u>\$ 2,640,666.25</u>	<u>\$ 24,608,365.03</u>

**DEBT RATIOS AND VALUATIONS <sup>(1) (2)</sup>**

Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016	\$ 1,573,165,972.33
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016	1.668%
2016 Net Valuation Taxable	\$ 1,696,103,611.00
2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 1,685,663,884.00
Gross Debt: <sup>(3)</sup>	
As a Percentage of 2016 Net Valuation Taxable	4.78%
As a Percentage of 2016 Equalized Valuations	4.81%
Net Debt: <sup>(3)</sup>	
As a Percentage of 2016 Net Valuation Taxable	1.55%
As a Percentage of 2016 Equalized Valuations	1.56%
Gross Debt Per Capita <sup>(4)</sup>	\$ 1,047.93
Net Debt Per Capita <sup>(4)</sup>	\$ 339.31

**CITY BORROWING CAPACITY <sup>(1) (2)</sup>**

3.5% of Averaged (2014-16) Equalized Valuation of Real Property including Improvements (\$1,573,165,972.33)	\$ 55,060,809.03
Net Debt	<u>26,243,870.51</u>
Remaining Borrowing Capacity	<u>\$ 28,816,938.52</u>

**LOCAL BOARD OF EDUCATION BORROWING CAPACITY <sup>(1) (2)</sup>**

4% of Averaged (2014-16) Equalized Valuation of Real Property including Improvements (\$1,573,165,972.33)	\$ 62,926,638.89
Local School Debt	<u>-</u>
Remaining Borrowing Capacity	<u>\$ 62,926,638.89</u>

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<sup>(1)</sup> As of June 30, 2016

<sup>(2)</sup> Source: City Auditor

<sup>(3)</sup> Excluding Overlapping Debt

<sup>(4)</sup> Based on Federal 2010 Census of 77,344

**Overlapping Debt (as of June 30, 2016)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>City Percentage</u></b>	<b><u>City Share</u></b>
Local School District	\$0	100.00%	\$0
County	342,450,381	4.46%	<u>10,614,997</u>
Net Indirect Debt			\$10,614,997
Net Direct Debt			<u>26,243,871</u>
Total Net Direct and Indirect Debt			<b><u>\$36,858,868</u></b>

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

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**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
OF THE CITY OF CAMDEN**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Camden  
Camden, New Jersey 08101

### **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 City of Camden, in the County of Camden, State of New Jersey, as of June 30, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the fiscal years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City'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; this includes 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit 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 City'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 City'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.

**Opinions**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in note 1 to the financial statements, the financial statements are prepared by the City 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 Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" 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 City of Camden, in the County of Camden, State of New Jersey, as of June 30, 2016 and 2015, or the results of its operations and changes in fund balance for the fiscal years then ended.

*Basis for Qualified Opinions on the Water Utility Operating Fund and Sewer Utility Operating Fund - Regulatory Basis*

The City could not provide support for the recorded balance of consumer accounts receivable, by individual consumer account, for both the water utility operating fund and sewer utility operating fund as of June 30, 2016. As a result of not being able to obtain sufficient appropriate audit evidence about the recorded amounts of the City's consumer accounts receivable and the related reserve for receivables as of June 30, 2016, we were unable to determine whether any adjustments were necessary to the aforementioned asset and liability balances recorded on the respective utility operating funds' statement of assets, liabilities, reserves and fund balance - regulatory basis as of June 30, 2016.

*Qualified Opinions on the Water Utility Operating Fund and Sewer Utility Operating Fund - Regulatory Basis*

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinions on the Water Utility Operating Fund and Sewer Utility Operating Fund - Regulatory Basis*" paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the water utility operating fund and sewer utility operating fund of the City of Camden, in the County of Camden, State of New Jersey, as of June 30, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis for the fiscal years then ended, and the revenues - regulatory basis and expenditures - regulatory basis for the fiscal year ended June 30, 2016 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.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds, other than the water utility operating fund and sewer utility operating fund, for the City of Camden, in the County of Camden, State of New Jersey, as of June 30, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of the current fund for the fiscal years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the current fund, and general fixed asset group of accounts - regulatory basis, for the fiscal year ended June 30, 2016, 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.



**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the financial statements.

The supplemental statements and schedules presented for the various funds and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2017 on our consideration of the City of Camden, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Camden's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



L. Jarred Corn  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
February 16, 2017

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Camden  
Camden, New Jersey 08101

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Camden, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 16, 2017. That report indicated that the City of Camden's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, that report also indicated that we issued qualified opinions on the statements of assets, liabilities, reserves and fund balance - regulatory basis as of June 30, 2016 for the water utility operating fund and sewer utility operating fund resulting from insufficient appropriate audit evidence about the recorded amounts of the City's consumer accounts receivable and the related reserve for receivables.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying *Schedule of Findings and Questioned Costs*, that we consider to be material weaknesses: Finding No. 2016-001, Finding No. 2016-003, Finding No. 2016-004, and Finding No. 2016-005.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Camden's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs* as findings no.: Finding No. 2016-002, Finding No. 2016-004, Finding No. 2016-006, and Finding No. 2016-007.

**The City of Camden's Response to Findings**

The City of Camden's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



L. Jarred Corn  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
February 16, 2017

**CITY OF CAMDEN**  
**CURRENT FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>(Restated)</u> <u>2015</u>
<b>ASSETS</b>			
Regular Fund:			
Cash	SA-1	\$ 46,561,985.18	\$ 32,920,361.25
Cash - Change Fund	SA-2	1,500.00	1,500.00
Cash - Petty Cash Fund	SA-3	2,500.00	2,500.00
Investments	SA-4	24,202.03	24,181.65
Investments - General Capital Fund	SA-1	750,000.00	
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-6	154,552.86	128,725.79
		<u>47,494,740.07</u>	<u>33,077,268.69</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-7	476,320.92	528,335.18
Tax Title Liens Receivable	SA-8	58,331,168.16	55,477,318.02
Property Acquired for Taxes (at Assessed Valuation)	SA-9	50,765,500.00	50,714,900.00
Special Assessments Receivable	SA-10	3,996,142.29	3,905,235.88
Revenue Accounts Receivable	SA-11	210,925.77	223,649.37
Due from Bank	SA-12		147,884.44
Due from Local School District (Prepaid Taxes)	SA-24	950,058.00	769,154.00
Due from Tax Lien Finance Corporation	A-1		8,144.35
Due from Federal and State Grant Fund	SA-28		1,437,186.83
Due from Animal Control Fund	SB-2	16,897.62	10,767.27
Due from Water Utility Operating Fund	SD-3		283,925.62
Due from Sewer Utility Operating Fund	SE-14		4,528,940.04
Due from Public Trust Fund	F	4,456.51	4,456.51
		<u>114,751,469.27</u>	<u>118,039,897.51</u>
Deferred Charges:			
Emergency Authorizations (N.J.S.A. 40A:4-46)	SA-13	193,805.00	
Emergency Authorizations (N.J.S.A. 40A:4-47)	SA-13		10,724.00
		<u>193,805.00</u>	<u>10,724.00</u>
Total Regular Fund		<u>162,440,014.34</u>	<u>151,127,890.20</u>
Federal and State Grant Fund:			
Cash	SA-1	451,028.40	2,225,546.30
Federal and State Grants Receivable	SA-26	11,405,002.70	16,744,127.83
Deferred Charges:			
Expenditure without Appropriation	SA-27		732.00
Due from Current Fund	SA-28	2,131,500.48	
Due from Water Utility Operating Fund	SD-1	26,868.00	
Total Federal and State Grant Fund		<u>14,014,399.58</u>	<u>18,970,406.13</u>
Total Assets		<u>\$ 176,454,413.92</u>	<u>\$ 170,098,296.33</u>

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>(Restated)</u> <u>2015</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Regular Fund:			
Liabilities:			
Appropriations Reserves	A-3, SA-14	\$ 11,189,357.26	\$ 4,784,419.39
Reserve for Encumbrances	A-3, SA-14	6,692,037.41	6,326,783.70
Due to Third Party Administrator - Tax Sale	SA-1	39,701.27	
Accounts Payable	SA-15	1,401,747.66	1,479,146.63
Due to State of New Jersey:			
Marriage License Fees	SA-16	3,400.00	3,000.00
Training Fees	SA-17	28,965.00	110,840.00
Burial Permits	SA-18	30.00	145.00
Due to Camden County Clerk - Fees	SA-19	62,202.39	91,251.94
Due to Camden County Municipal Utilities Authority	SA-20	953,112.14	928,882.90
Prepaid Taxes	SA-21	113,810.30	176,416.09
Tax Overpayments	SA-22	2,185.42	142,385.98
Tax Deposits Payable	SA-23	57,312.86	59,705.58
Shared Services Payable	A-1		4,600.00
Reserve for Tax Maps	A-1		210,000.00
Reserve for Revaluation	A-1		291,400.00
Due to Federal and State Grant Fund	SA-28	2,131,500.48	
Due to Trust - Other Funds	SB-10	4,192,402.35	6,293,693.94
Due to General Capital Fund	SC-8	2,419,493.41	493,246.07
Due to Water Utility Operating Fund	SD-3	1,396,062.25	
Due to Sewer Utility Operating Fund	SE-14	2,024,896.60	
		<u>32,708,216.80</u>	<u>21,395,917.22</u>
Reserves for Receivables and Other Assets		114,751,469.27	118,039,897.51
Fund Balance	A-1	<u>14,980,328.27</u>	<u>11,692,075.47</u>
Total Regular Fund		<u>162,440,014.34</u>	<u>151,127,890.20</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-28		1,437,186.83
Reserve for Federal, State, and Local Grants:			
Unappropriated	SA-29	507,263.76	499,110.03
Appropriated	SA-30	9,331,427.55	10,679,964.12
Reserve for Encumbrances	SA-30	3,179,020.68	5,357,457.56
Due to Trust - Other Funds	SB-11	996,687.59	996,687.59
Total Federal and State Grant Fund		<u>14,014,399.58</u>	<u>18,970,406.13</u>
Total Liabilities, Reserves, and Fund Balance		<u>\$ 176,454,413.92</u>	<u>\$ 170,098,296.33</u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**CURRENT FUND**

Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 11,691,100.00	\$ 14,228,483.00
Miscellaneous Revenue Anticipated	151,970,722.54	143,179,736.53
Receipts from Delinquent Taxes	1,468,735.68	1,056,649.47
Receipts from Current Taxes	42,847,364.58	41,642,421.55
Non Budget Revenue	831,864.10	1,035,716.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,917,352.30	10,008,983.89
Statutory Excess in Animal Control Fund	6,130.35	5,858.00
2012 Business Personal Property Tax Replacement	180,904.00	
Liquidation of Reserves for:		
Due from Tax Lien Finance Corporation	8,144.35	
Due from Federal and State Grant Fund	0.83	2,039,523.27
Due from General Capital Fund		540,538.61
Due from Water Utility Operating Fund	0.62	
Due from Sewer Utility Operating Fund	0.04	
Cancellation of:		
Accounts Payable	1,384,085.92	857,442.21
Tax Overpayments		878,440.30
Due to State of New Jersey:		
Marriage Licenses	25.00	
Training Fees	343.00	
Burial Permits	120.00	
Shared Services Payable	4,600.00	
Reserve for Tax Maps	210,000.00	
Reserve for Revaluation	291,400.00	
Reserve for Federal, State, and Other Grants - Appropriated	3,891,673.11	11,786,168.12
Due Trust - Other Funds:		
Cancellation of:		
Due to Bank	1,997.65	
Miscellaneous Trust Other Reserves	3,289,288.33	
Total Income	<u>222,995,852.40</u>	<u>227,259,961.39</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	44,004,512.50	40,859,625.01
Other Expenses	52,044,413.76	54,022,565.92
Deferred Charges and Statutory Expenditures	9,487,845.84	9,459,381.06
Operations Excluded from "CAPS":		
Salaries and Wages	481,680.00	
Other Expenses	72,901,969.79	65,626,303.09

(Continued)



**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 11,691,100.00		\$ 11,691,100.00	
Total Surplus Anticipated	11,691,100.00	-	11,691,100.00	-
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	130,000.00		147,150.00	\$ 17,150.00
Other	650,000.00		656,697.48	6,697.48
Fees and Permits	1,056,947.00		954,297.03	(102,649.97)
Fines and Costs:				
Municipal Court	2,940,689.00		2,567,732.82	(372,956.18)
Interest and Costs on Taxes	1,269,589.00		1,442,675.41	173,086.41
Interest on Investments and Deposits	10.00		4,051.01	4,041.01
Anticipated Utility Operating Surplus:				
Water	4,595,500.00		4,595,500.00	
Cemeteries	5,814.00		6,679.00	865.00
Rents - City Properties	446,184.00		303,445.88	(142,738.12)
Total Local Revenues	11,094,733.00	-	10,678,228.63	(416,504.37)
State Aid without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	68,211,336.00		68,211,336.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	32,875,627.00		32,875,627.00	
Transitional Aid	12,000,000.00		12,000,000.00	
Total State Aid without Offsetting Appropriations	113,086,963.00	-	113,086,963.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17) Uniform Construction Codes Fee	1,800,330.00	-	2,078,105.50	277,775.50
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues Offset With Appropriations:				
FY 2015 Clean Communities Grant	127,057.54		127,057.54	
FY 2012 Recycling Tonnage Grant	24,428.17		24,428.17	
Municipal Court Alcoholic Education	29,525.43		29,525.43	
FY 2013 Sustainable Jersey	2,000.00			(2,000.00)
USEPA #66-606 Von Neida Park Wastewater	800,000.00		800,000.00	
Delaware Valley Regional	19,653.42		19,653.42	
NJDOT 2015 7th St Bikeways Improvement	180,000.00		180,000.00	
FY 2015 Youth Violence Prevention Enhancement	250,302.00		250,302.00	
FY 2014 Assistance to Firefighters Grant (Washer and Dryer Cab)	27,273.00		27,273.00	
Camden City Collaboration to End Youth Violence	70,000.00		70,000.00	
NJDOT River Road (CR 543) Improvements, Cramer Hill (ROW)	39,679.00		39,679.00	
DOJ Office of Juvenile Justice and Delinquency Prevention for National Forum on Youth Violence	125,000.00		125,000.00	
Delaware Valley Regional	23,554.00		23,554.00	
FY 2015 NJDOT Transportation Trust Fund - Resurfacing of Various Streets	588,954.00		588,954.00	
NJDOT Transportation Trust Fund - Haddon Ave. Transit Village Roadway Improvement	280,000.00			(280,000.00)
NJ Tree Fund	1,000.00		1,000.00	
FY 15 Americorp		\$ 354,000.00	354,000.00	
2016 Summer Food Service Program		935,065.10	935,065.10	
NJDOEP Forestry Services Management		3,000.00	3,000.00	
FY 2015 Justice Assistance [JAG DJ-BX-1027]		260,336.00	260,336.00	
2013 Emergency Management Performance Grant		15,000.00	15,000.00	
Delaware Valley Regional Highway 16-61-060		24,000.00	24,000.00	
Delaware Valley Regional TSP 16-063-025		20,800.00	20,800.00	
DYFS - FY 2015 Amendment to FY 2016 Multi-Youth Services		161,198.00	161,198.00	
FY 2015 Municipal Drug Alliance		61,461.00	61,461.00	
Comcast Foundation		894.38	894.38	
National Recreation and Park Association		35,000.00	35,000.00	
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services	2,588,426.56	1,870,754.48	4,177,181.04	(282,000.00)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Uniform Fire Safety Act	65,906.00		74,027.31	8,121.31
PILOT - Riverview Tower	146,038.00		146,400.00	362.00
PILOT - Northgate II	164,669.00		216,010.96	51,341.96
PILOT - Crestbury Apartments	106,800.00		148,635.76	41,835.76
PILOT - Campbell Soup	499,800.00		512,847.00	13,047.00

(Continued)



**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (Cont'd):				
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services - Other Special Items (Cont'd):				
Cogen - Host Community Benefit	\$ 1,000,000.00		\$ 653,271.47	\$ (346,728.53)
Camden Resource Recovery	1,800,000.00		1,902,373.96	102,373.96
Comcast	114,780.00		277,443.71	162,663.71
DRPA - PATCO Community	75,000.00		75,000.00	
Cooper Plaza Historic Homes	15,000.00		12,017.07	(2,982.93)
PILOT - NJ Transit	53,131.00		53,132.00	1.00
PILOT - Ferry Station LLC / TAMA	200,000.00		221,443.43	21,443.43
Victor Urban Renewal Group LLC	114,440.00		121,267.69	6,827.69
PILOT - VESTA - Everett Gardens	99,635.00		37,295.05	(62,339.95)
ERB Agreement - Camden County College - Parking Garage	70,000.00		87,500.00	17,500.00
ERB Agreement - Lourdes Medical Center	90,000.00		90,000.00	
ERB Agreement - Camcare Health Corp	20,000.00		15,000.00	(5,000.00)
ERB Agreement - Settlement Music School	20,000.00		5,000.00	(15,000.00)
ERB Agreement - Cooper Health Systems	247,000.00		252,000.00	5,000.00
PILOT - Baldwin's Run Phase I	28,800.00		32,918.99	4,118.99
PILOT - Baldwin's Run Phase 7	39,900.00		31,501.40	(8,398.60)
PILOT - NJ Adventure Aquarium Host Benefit	347,922.00		332,503.56	(15,418.44)
PILOT - SNJ Camden Office Building	347,785.00		391,663.47	43,878.47
PILOT - Cooper Grant Urban Renewal	72,000.00		428,331.77	356,331.77
PILOT - Faison Mews	30,000.00		46,854.28	16,854.28
PILOT - Antioch Manor	43,766.00		9,542.00	(34,224.00)
PILOT - Fairview Village Urban Renewal LLC	16,291.00		32,580.00	16,289.00
PILOT - Cooper Riverview Homes	19,121.00		15,145.50	(3,975.50)
PILOT - Ferry Manor	78,668.00		49,234.35	(29,433.65)
PILOT - Chelton Terrace	86,000.00		65,250.00	(20,750.00)
PILOT - Carpenter Hill	22,120.00			(22,120.00)
PILOT - Baldwin's Run Phase 8	18,043.00		73,605.00	55,562.00
PILOT - Center for Family Services	14,100.00		10,593.36	(3,506.64)
PILOT - Fairview Village II	59,523.00		34,050.00	(25,473.00)
PILOT - Waterfront Technology	105,000.00		183,130.87	78,130.87
PILOT - Boys & Girls Club of Camden County	20,000.00		15,000.00	(5,000.00)
PILOT - Rutgers University	220,000.00		220,000.00	
PILOT - River Hayes Urban Renewal	80,027.00		90,642.50	10,615.50
PILOT - Cooper Urban Renewal Assoc	3,181.00		133,414.22	130,233.22
PILOT - Cathedral Kitchen	20,000.00		20,000.00	
ERB Agreement - Puerto Rican Unity for Progress	20,000.00		10,870.69	(9,129.31)
PILOT - Antioch Phase II	44,000.00		47,817.27	3,817.27
PILOT - Roosevelt / Carl Miller	79,200.00		71,529.14	(7,670.86)
South Jersey Port Corporation	4,000,000.00		4,000,000.00	
PILOT - Lutheran Social Ministries	99,045.00		74,283.99	(24,761.01)
PILOT - Rowan University	180,000.00		180,000.00	
PILOT - Morgan Village	17,000.00		26,138.25	9,138.25
PILOT - Branch Village	60,000.00		70,419.25	10,419.25
PILOT - 32nd St Urban Renewal	38,000.00			(38,000.00)
PILOT - Market Fair Urban	9,911.00		72,512.44	62,601.44
PILOT - Centerville Housing Association Phase 12 LLC	65,882.00		65,882.00	
PILOT - Roosevelt Manor Phase VII	92,808.00		204,191.90	111,383.90
Due from Grant Fund	1,437,186.00		1,437,186.00	
PILOT - Cooper Cancer Institute	20,000.00		20,000.00	
Due from Water Utility Operating Funds	283,925.00		283,925.00	
Due from Sewer Utility Operating Funds	4,528,940.00		4,528,940.00	
Parking Surcharge	800,000.00		970,767.76	170,767.76
Capital Surplus	2,000,000.00		2,000,000.00	
Prepaid Tax	769,154.00		769,154.00	
<b>Total Special Items of General Revenue Anticipated with Prior Written</b>	<b>21,119,497.00</b>	<b>-</b>	<b>21,950,244.37</b>	<b>830,747.37</b>
<b>Consent of Director of Local Government Services - Other Special Items</b>	<b>21,119,497.00</b>	<b>-</b>	<b>21,950,244.37</b>	<b>830,747.37</b>
<b>Total Miscellaneous Revenues Anticipated</b>	<b>149,689,949.56</b>	<b>\$ 1,870,754.48</b>	<b>151,970,722.54</b>	<b>410,018.50</b>
<b>Receipts from Delinquent Taxes</b>	<b>900,000.00</b>	<b>-</b>	<b>1,468,735.68</b>	<b>568,735.68</b>
<b>Amount To Be Raised By Taxes for Support of Municipal Budget:</b>				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	25,729,493.99	-	26,440,936.47	711,442.48
<b>Total General Revenues</b>	<b>188,010,543.55</b>	<b>1,870,754.48</b>	<b>191,571,494.69</b>	<b>1,690,196.66</b>
<b>Non Budget Revenues</b>	<b>-</b>	<b>-</b>	<b>831,864.10</b>	<b>831,864.10</b>
<b>Total Revenues</b>	<b>\$ 188,010,543.55</b>	<b>\$ 1,870,754.48</b>	<b>\$ 192,403,358.79</b>	<b>\$ 2,522,060.76</b>

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

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Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 42,847,364.58
Allocated to:	
Local School and County Taxes	22,081,466.31
Balance for Support of Municipal Budget Appropriations	20,765,898.27
Add: Appropriation "Reserve for Uncollected Taxes"	5,675,038.20
Amount for Support of Municipal Budget Appropriations	\$ 26,440,936.47

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 143,862.13
Tax Title Lien Collections	1,324,873.55
Total Receipts from Delinquent Taxes	\$ 1,468,735.68

Licenses - Other:

Amusement Business	\$	8,494.75
Automobile Repair		29,836.89
Bingo and Raffle		180.00
Coin Controlled Music Device		12,718.50
Dumpster (Temporary)		3,243.00
Farmers Market		20.00
Flea Market		926.76
Florist		1,290.30
Install Oil Tank		8.00
Hotel and Motel		1,314.86
Jewelry and Gems (Gold)		693.17
Junk Dealer		19,324.43
Marriage		1,155.00
Mercantile		69,454.94
Mobile Home Park		12,937.50
Parking Lots / Storage Vehicle		18,012.64
Peddlers and Vendors		48,067.41
Photo Copy		1,007.98
Property Maintenance Code		139,503.00
Public Gas Filling Station		4,032.36
Rental Approval Application		116,612.47
Restaurant		60,684.07
Sale of Spray Paint		596.16
Second-Hand Store Keeper		3,150.15
Self-Service Laundries		18,097.74

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

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Analysis of Realized Revenues (Cont'd)

## Licenses - Other (Cont'd):

Taxi Cab Driver	\$ 12,967.00
Taxi Cab Owner	56,379.00
Towing Companies	3,813.27
Used Tire	7,898.24
Vending Machine	<u>4,277.89</u>

## Total Licenses - Other

\$ 656,697.48

## Fees and Permits:

Administrative Fees - Sale of HUD Property	\$ 864.27
Baseball Field	6,085.00
Board Up	14,451.20
Burial Permits	29,457.25
Certificate of Redemption	400.00
Certified Copy	354,021.00
Change to Vital Record	4,180.00
Film Permit	1,375.00
Historic Review	1,103.42
Lien Redemption	850.00
Lien Holder Redemption	350.00
New / Second-Hand Motor Vehicle Permits	14,435.77
Occupancy Permit	12.00
Plans and Specification	4,000.00
Police Service	14,138.49
Posting and Distribution Bills Permits	14,434.92
Property Listing	2,136.80
Release of Vehicles	30,920.00
Rent Control Application	214,810.65
Rooming / Boarding Board	2,800.00
Sale of Maps	1,473.50
Sidewalk Permits	183,933.00
Special Event	4,425.00
Tax Search	9,246.30
Tree Cutting	50.00
Vending Machine	2,002.15
Weights and Measures	<u>6,471.50</u>

\$ 918,427.22

## Special Assessments Receivable

35,869.81

## Total Fees and Permits

\$ 954,297.03

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

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Analysis of Non Budget Revenues

## Treasurer:

Abandoned Car and Bicycle Sales	\$ 12,060.00	
Administrative Costs - Protested Checks	140.00	
Handicap Installment Payments	4,400.00	
Other	7,648.31	
Refund of Prior Year Expenditures	10,092.32	
Restitution	971.00	
Sale of City Owned Vehicles / Property	452,337.59	
Sale of Scrap	3,146.08	
Senior Citizen and Veteran Administrative Fee	5,396.00	
State Inspection Fines	5,137.00	
Weights and Measures Violations	<u>200.00</u>	
 Total Receipts		 \$ 501,528.30
 Due from Trust - Other Funds:		
Refund of Prior Year Expenditures		283,058.19
 Due from General Capital Fund:		
Other		44,730.81
 Due from Water Utility Operating Fund:		
Other		<u>2,546.80</u>
 Total Non Budget Revenues		 <u>\$ 831,864.10</u>

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

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
General Government Functions:						
Office of the Mayor						
Salaries and Wages	\$ 560,564.32	\$ 560,564.32	\$ 354,354.21		\$ 206,210.11	
Other Expenses	51,706.86	51,706.86			51,706.86	
Municipal Public Defender						
Other Expenses	160,000.00	160,000.00	135,000.00		25,000.00	
Planning Board						
Salaries and Wages	9,990.96	9,990.96	8,988.62		1,002.34	
Other Expenses	56,030.74	56,030.74	39,818.75		16,211.99	
Zoning Board of Adjustment						
Salaries and Wages	6,882.25	6,882.25	6,623.39		258.86	
Other Expenses	45,378.09	45,378.09	32,642.05	\$ 1,529.75	11,206.29	
Rooming and Boarding Board						
Salaries and Wages	7,316.09	7,316.09	4,650.25		2,665.84	
Municipal Court						
Salaries and Wages	1,802,204.78	1,802,204.78	1,684,363.08		117,841.70	
Other Expenses	74,960.82	74,960.82	51,939.78	20,210.67	2,810.37	
Office of City Attorney						
Salaries and Wages	1,214,106.00	1,214,106.00	1,148,780.90		65,325.10	
Other Expenses	1,089,484.07	939,484.07	369,898.57	184,651.15	384,934.35	
Office of City Council						
Salaries and Wages	378,588.03	398,588.03	382,004.10		16,583.93	
Other Expenses	11,084.42	11,084.42	10,488.33	290.21	305.88	
Annual Audit						
Other Expenses	188,000.00	188,000.00	188,000.00			
Office of Municipal Clerk						
Salaries and Wages	344,839.22	344,839.22	189,610.58		155,228.64	
Other Expenses	47,656.56	47,656.56	25,571.14	6,816.67	15,268.75	
Elections						
Other Expenses	48,000.00	48,000.00	3,700.00	3,120.00	41,180.00	
Alcohol Beverage Control						
Salaries and Wages	21,266.82	21,266.82	5,176.96		16,089.86	
Other Expenses	1,038.32	1,038.32	769.40		268.92	
Vital Statistics						
Salaries and Wages	172,393.24	172,393.24	117,714.75		54,678.49	
Other Expenses	8,697.74	8,697.74	5,857.50		2,840.24	

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Department of Administration:						
Business Administrator's Office						
Salaries and Wages	\$ 218,686.46	\$ 218,686.46	\$ 177,336.90		\$ 41,349.56	
Other Expenses	406,924.01	406,924.01	323,526.03	\$ 59,584.64	23,813.34	
Surety Bonds and Other Premiums						
Other Expenses	891,377.57	891,377.57	669,860.40		221,517.17	
Bureau of Purchasing						
Salaries and Wages	280,387.80	280,387.80	234,772.41		45,615.39	
Other Expenses	336,755.78	336,755.78	222,885.81	66,189.64	47,680.33	
Division of Personnel						
Salaries and Wages	287,001.20	287,001.20	168,566.75		118,434.45	
Other Expenses	2,560.48	2,560.48	1,855.06		705.42	
Utilities						
Other Expenses	3,280,000.25	2,880,000.25	703,340.85	1,011,602.33	1,165,057.07	
Fleet Management						
Salaries and Wages	660,242.42	660,242.42	553,456.89		106,785.53	
Other Expenses	902,644.80	902,644.80	574,652.73	318,348.09	9,643.98	
Management Information Systems (IT)						
Salaries and Wages	344,372.40	344,372.40	286,509.84		57,862.56	
Other Expenses	458,329.04	458,329.04	262,134.88	188,911.39	7,282.77	
Department of Finance:						
Director's Office						
Salaries and Wages	339,950.70	339,950.70	305,941.23		34,009.47	
Other Expenses	255,000.00	270,000.00	177,440.77	55,305.99	37,253.24	
Bureau of Accounts and Controls						
Salaries and Wages	225,316.10	225,316.10	136,019.95		89,296.15	
Other Expenses	9,777.68	9,777.68	7,927.60		1,850.08	
Treasurer's Office						
Salaries and Wages	277,772.75	277,772.75	191,026.47		86,746.28	
Other Expenses	3,601.00	3,601.00	636.93		2,964.07	
Bureau of Revenue Collections						
Salaries and Wages	757,457.92	757,457.92	615,378.80		142,079.12	
Other Expenses	371,000.00	371,000.00	108,784.25	129,493.65	132,722.10	
Assessor's Office						
Salaries and Wages	284,077.48	284,077.48	238,522.85		45,554.63	
Other Expenses	372,065.00	413,550.00	370,631.69	23,720.59	19,197.72	
Payroll Division						
Salaries and Wages	251,776.80	251,776.80	149,318.30		102,458.50	
Other Expenses	1,032.32	1,032.32	126.53		905.79	

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Department of Police:						
Police						
Salaries and Wages	\$ 3,228,323.00	\$ 3,013,519.02	\$ 2,442,603.55		\$ 570,915.47	
Other Expenses	208,080.00	222,883.98	213,426.23	\$ 9,457.75		
Traffic Control						
Salaries and Wages	1,065,766.65	1,155,766.65	1,152,697.81		3,068.84	
Other Expenses	77,599.83	77,599.83	59,125.84	3,461.25	15,012.74	
Department of Fire:						
Fire						
Salaries and Wages	19,754,000.00	19,754,000.00	18,256,554.05		1,497,445.95	
Other Expenses	315,449.28	315,449.28	122,908.76	170,712.45	21,828.07	
Bureau of Fire Prevention						
Salaries and Wages	80,667.41	80,667.41	18.33		80,649.08	
Other Expenses	9,051.48	9,051.48	4,969.32	2,356.81	1,725.35	
Department of Code Enforcement:						
Director's Office						
Salaries and Wages	327,844.84	327,844.84	257,242.94		70,601.90	
Other Expenses	2,913.12	2,913.12	1,368.61		1,544.51	
Animal Control						
Other Expenses	475,000.00	514,000.00	453,399.39	57,804.93	2,795.68	
Division of Housing Inspections						
Salaries and Wages	693,851.09	693,851.09	654,666.50		39,184.59	
Other Expenses	30,171.60	30,171.60	20,785.84	3,524.00	5,861.76	
Division of License and Inspections						
Salaries and Wages	286,833.31	286,833.31	249,681.04		37,152.27	
Other Expenses	14,929.74	14,929.74	10,121.73	229.18	4,578.83	
Division of Weights and Measures						
Salaries and Wages	76,557.52	76,557.52	60,229.38		16,328.14	
Other Expenses	2,705.04	2,705.04	2,085.67	100.00	519.37	
Department of Development and Planning:						
Director's Office						
Salaries and Wages	329,757.90	329,757.90	260,977.96		68,779.94	
Other Expenses	26,428.20	26,428.20	12,741.34		13,686.86	
Division of Planning						
Salaries and Wages	415,327.68	415,327.68	287,459.03		127,868.65	
Other Expenses	22,874.85	22,874.85	8,879.67		13,995.18	

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Department of Development and Planning (Cont'd):						
Office of City Properties						
Salaries and Wages	\$ 185,399.28	\$ 185,399.28	\$ 79,488.14		\$ 105,911.14	
Other Expenses	150,960.00	150,960.00	141,603.75	\$ 205.88	9,150.37	
Housing Services						
Salaries and Wages	319,900.56	319,900.56	269,154.68		50,745.88	
Other Expenses (Emergency \$193,805.00)	61,404.00	255,209.00	202,241.00	9,500.00	43,468.00	
Division of Capital Improvement & Project Management						
Salaries and Wages	555,053.40	555,053.40	463,277.25		91,776.15	
Other Expenses	546,083.54	1,270,598.54	215,257.72	905,892.74	149,448.08	
Department of Public Works:						
Director's Office						
Salaries and Wages	579,663.45	579,663.45	382,554.68		197,108.77	
Other Expenses	1,556,319.06	1,381,319.06	547,217.23	243,805.15	590,296.68	
Garbage and Trash Removal						
Other Expenses	7,454,257.92	7,454,257.92	4,902,410.08	1,367,109.59	1,184,738.25	
Division of Neighborhood Districts						
Salaries and Wages	2,924,904.98	2,924,904.98	2,656,610.65		268,294.33	
Other Expenses	1,600,244.34	1,500,244.34	418,068.85	220,170.93	862,004.56	
Division of Traffic Engineering						
Salaries and Wages	310,643.55	310,643.55	215,792.40		94,851.15	
Other Expenses	46,738.93	46,738.93	12,634.92	28,758.62	5,345.39	
Office of Parks and Open Space						
Salaries and Wages	1,082,000.00	1,167,000.00	1,099,590.76		67,409.24	
Other Expenses	436,385.38	436,385.38	213,230.44	221,059.54	2,095.40	
Facility and Maintenance						
Salaries and Wages	658,597.17	658,597.17	516,794.38		141,802.79	
Other Expenses	750,299.31	750,299.31	368,842.62	225,232.55	156,224.14	
Electrical Bureau						
Salaries and Wages	263,945.13	263,945.13	155,655.19		108,289.94	
Other Expenses	70,293.30	70,293.30	24,707.26	28,669.84	16,916.20	
Street Lighting						
Other Expenses	2,281,383.43	2,281,383.43	1,729,703.61	548,527.37	3,152.45	
Department of Health and Human Services:						
Director's Office						
Salaries and Wages	603,259.58	603,259.58	262,383.00		340,876.58	
Other Expenses	575,000.00	575,000.00	426,294.19	142,565.27	6,140.54	

(Continued)



**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Department of Health and Human Services (Cont'd):						
Office on Aging						
Salaries and Wages	\$ 342,719.80	\$ 342,719.80	\$ 276,657.82		\$ 66,061.98	
Other Expenses	53,684.64	53,684.64	6,968.11	\$ 17,425.53	29,291.00	
Neighborhood Services						
Salaries and Wages	254,870.48	254,870.48	229,255.71		25,614.77	
Other Expenses	3,433.32	3,433.32			3,433.32	
Division of Recreation						
Salaries and Wages	223,073.65	223,073.65	218,850.32		4,223.33	
Other Expenses	143,367.12	143,367.12	92,973.09	50,287.81	106.22	
Division of Youth and Family Services						
Salaries and Wages	95,732.41	95,732.41	73,359.11		22,373.30	
Other Expenses	3,121.20	3,121.20	2,600.36	500.00	20.84	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Division of Construction Code						
Salaries and Wages	920,429.90	920,429.90	888,031.69		32,398.21	
Other Expenses	22,368.60	22,368.60	11,506.10	3,927.40	6,935.10	
Unclassified:						
Business Personal Property Tax Replacement						
Other Expenses	171,152.00	171,152.00	171,152.00			
Accumulated Compensated Absence Liability						
Other Expenses	500,000.00	500,000.00	500,000.00			
Interest on Tax Refunds						
Other Expenses	6,000.00	6,000.00			6,000.00	
Insurance						
Group Insurance for Employees	21,250,000.00	21,250,000.00	21,250,000.00			
General Liability Insurance	1,800,000.00	1,800,000.00	1,800,000.00			
Worker's Compensation Insurance	2,100,000.00	2,100,000.00	2,100,000.00			
Total Operations within "CAPS"	<u>95,865,121.26</u>	<u>96,048,926.26</u>	<u>78,703,416.38</u>	<u>6,331,059.36</u>	<u>11,014,450.52</u>	-
Salaries and Wages	44,024,316.48	44,004,512.50	38,368,703.60	-	5,635,808.90	-
Other Expenses	<u>51,840,804.78</u>	<u>52,044,413.76</u>	<u>40,334,712.78</u>	<u>6,331,059.36</u>	<u>5,378,641.62</u>	-

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
Deferred Charges:						
Prior Year Bills:						
Prior Yr Bill - Internal Revenue Service's FY 2010	\$ 24,242.37	\$ 24,242.37	\$ 24,242.37			
Prior Yr Bill - Ingerman FY 2014	5,408.40	5,408.40	5,408.40			
Prior Yr Bill - Susan W. Obson FY 2014	750.00	750.00	750.00			
Emergency - Repayment of Home Fund	10,724.00	10,724.00	10,724.00			
Prior Yr Bill - Contractor Service FY 14	371.40	371.40	371.40			
Prior Yr Bill - Contractor Service FY 12	449.96	449.96	449.96			
Overexpenditure of Appropriations:						
Overexpenditure of Appropriation - FEMA Grant	34,053.94	34,053.94				\$ 34,053.94
Overexpenditure of Appropriation - Trust SLETF	39,337.75	39,337.75				39,337.75
Overexpenditure of Appropriation - Grant	732.00	732.00	732.00			
Emergency Authorizations:						
Prior Yr - Parker McCay FY 2013	4,349.70	4,349.70	4,349.70			
Prior Yr - Animal Welfare Society of CC	157.99	157.99	157.99			
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	1,900,000.00	1,900,000.00	1,864,241.51		\$ 35,758.49	
Consolidated Police and Firemen's Pension Fund	1,662.00	1,662.00			1,662.00	
Police and Firemen's Retirement System of N.J.	4,637,712.02	4,637,712.02	4,637,712.02			
Unemployment	300,000.00	300,000.00	300,000.00			
State Disability Insurance	24,000.00	24,000.00	18,748.61		5,251.39	
Pension Increase - COLA for Retirees	63,000.00	63,000.00	54,938.08		8,061.92	
Public Employee's Retirement System of NJ	2,474,286.00	2,474,286.00	2,474,286.00			
Defined Contribution Retirement Program	30,000.00	40,000.00	26,259.04	\$ 10,050.63	3,690.33	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>9,551,237.53</u>	<u>9,561,237.53</u>	<u>9,423,371.08</u>	<u>10,050.63</u>	<u>54,424.13</u>	<u>73,391.69</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>105,416,358.79</u>	<u>105,610,163.79</u>	<u>88,126,787.46</u>	<u>6,341,109.99</u>	<u>11,068,874.65</u>	<u>73,391.69</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Matching Funds for Grants	600,000.00	600,000.00	181,188.00			418,812.00

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
Cap Waiver						
Office of the Mayor OE	\$ 300,000.00	\$ 300,000.00	\$ 77,292.78	\$ 102,224.61	\$ 120,482.61	
Dept. of Admin, Utilities OE	325,662.00	325,662.00	325,662.00			
Bureau of Revenue Collection OE	132,420.00	132,420.00	132,420.00			
Assessors Office OE	97,935.00	97,935.00	97,935.00			
Dept. of Fire, S & W	481,680.00	481,680.00	481,680.00			
Dept. of Plan. & Dev., Div of Plan. OE	425,453.00	425,453.00	376,750.19	48,702.81		
Group Insurance for Employees	2,125,000.00	2,125,000.00	2,125,000.00			
General Liability	200,000.00	200,000.00	200,000.00			
Worker's Comp.	200,000.00	200,000.00	200,000.00			
Downpayment Capital Improvement	232,331.00	232,331.00	232,330.75			\$ 0.25
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>5,120,481.00</b>	<b>5,120,481.00</b>	<b>4,430,258.72</b>	<b>150,927.42</b>	<b>120,482.61</b>	<b>418,812.25</b>
Interlocal Municipal Service Agreements						
PSA	64,504,800.00	64,504,800.00	64,504,800.00			
<b>Total Interlocal Municipal Service Agreements - Excluded from "CAPS"</b>	<b>64,504,800.00</b>	<b>64,504,800.00</b>	<b>64,504,800.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public and Private Programs Offset by Revenues:						
FY 2015 Clean Communities Grant	127,057.54	127,057.54	127,057.54			
FY 2012 Recycling Tonnage Grant	24,428.17	24,428.17	24,428.17			
Municipal Court Alcoholic Education	29,525.43	29,525.43	29,525.43			
FY 2013 Sustainable Jersey	2,000.00	2,000.00				2,000.00
USEPA #66-606 Von Neida Park Wastewater	800,000.00	800,000.00	800,000.00			
Delaware Valley Regional	19,653.42	19,653.42	19,653.42			
NJDOT 2015 7th St Bikeways Improvement	180,000.00	180,000.00	180,000.00			
FY 2015 Youth Violence Prevention Enhancement	250,302.00	250,302.00	250,302.00			
FY 2014 Assistance to Firefighters Grant (Washer and Dryer Cab)	27,273.00	27,273.00	27,273.00			
Camden City Collaboration to End Youth Violence	70,000.00	70,000.00	70,000.00			
NJDOT River Road (CR 543) Improvements, Cramer Hill (ROW)	39,679.00	39,679.00	39,679.00			
DOJ Office of Juvenile Justice and Delinquency Prevention for National Forum on Youth Violence	125,000.00	125,000.00	125,000.00			
Delaware Valley Regional	23,554.00	23,554.00	23,554.00			
FY 2015 NJDOT Transportation Trust Fund - Resurfacing of Various Streets	588,954.00	588,954.00	588,954.00			
NJDOT Transportation Trust Fund - Haddon Ave. Transit Village Roadway Improvement	280,000.00	280,000.00				280,000.00

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues (Cont'd):						
NJ Tree Fund	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00			
FY 15 Americorp (N.J.S.A. 40A: 4-87, \$354,000.00+)		354,000.00	354,000.00			
2016 Summer Food Service Program (N.J.S.A. 40A:4-87, \$935,065.10)		935,065.10	935,065.10			
NJDOEP Forestry Services Management (N.J.S.A. 40A:4-87, \$3,000.00)		3,000.00	3,000.00			
FY 2015 Justice Assistance [JAG DJ-BX-1027] (N.J.S.A. 40A:4-87, \$260,336.00)		260,336.00	260,336.00			
2013 Emergency Management Performance Grant (N.J.S.A. 40A:4-87, \$15,000.00)		15,000.00	15,000.00			
Delaware Valley Regional Highway 16-61-060 (N.J.S.A. 40A:4-87, \$24,000.00)		24,000.00	24,000.00			
Delaware Valley Regional TSP 16-063-025 (N.J.S.A. 40A:4-87, \$20,800.00)		20,800.00	20,800.00			
DYFS - FY 2015 Amendment to FY 2016 Multi-Youth Services (N.J.S.A. 40A:4-87, \$161,198.00)		161,198.00	161,198.00			
FY 2015 Municipal Drug Alliance (N.J.S.A. 40A:4-87, \$61,461.00)		61,461.00	61,461.00			
Comcast Foundation (N.J.S.A. 40A:4-87, \$894.38)		894.38	894.38			
National Recreation and Park Association (N.J.S.A. 40A:4-87, \$35,000.00)		35,000.00	35,000.00			
Total Public and Private Programs Offset by Revenues	2,588,426.56	4,459,181.04	4,177,181.04	-	-	\$ 282,000.00
Total Operations - Excluded From "CAPS"	72,213,707.56	74,084,462.04	73,112,239.76	\$ 150,927.42	\$ 120,482.61	700,812.25
Detail:						
Salaries and Wages	481,680.00	481,680.00	481,680.00	-	-	-
Other Expenses	71,732,027.56	73,602,782.04	72,630,559.76	150,927.42	120,482.61	700,812.25
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Demolition and Debris Removal	200,000.00	200,000.00	-	200,000.00	-	-
Total Capital Improvements - Excluded from "CAPS"	200,000.00	200,000.00	-	200,000.00	-	-

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	\$ 440,000.00	\$ 440,000.00	\$ 440,000.00			
Payment of Bond Anticipation Notes and Capital Notes	3,060,000.00	2,960,000.00	1,200,000.00			\$ 1,760,000.00
Interest on Bonds	250,300.00	250,300.00	250,300.00			
Interest on Notes	150,000.00	150,000.00	80,678.40			69,321.60
Loan Repayments for Principal and Interest	74,039.00	74,039.00	74,038.48			0.52
Unsafe Loan Program - Principal	531,100.00	631,100.00	631,100.00			
	<u>4,505,439.00</u>	<u>4,505,439.00</u>	<u>2,676,116.88</u>	<u>-</u>	<u>-</u>	<u>1,829,322.12</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>4,505,439.00</u>	<u>4,505,439.00</u>	<u>2,676,116.88</u>	<u>-</u>	<u>-</u>	<u>1,829,322.12</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>76,919,146.56</u>	<u>78,789,901.04</u>	<u>75,788,356.64</u>	<u>\$ 350,927.42</u>	<u>\$ 120,482.61</u>	<u>2,530,134.37</u>
Subtotal General Appropriations	182,335,505.35	184,400,064.83	163,915,144.10	6,692,037.41	11,189,357.26	2,603,526.06
Reserve for Uncollected Taxes	<u>5,675,038.20</u>	<u>5,675,038.20</u>	<u>5,675,038.20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 188,010,543.55</u>	<u>\$ 190,075,103.03</u>	<u>\$ 169,590,182.30</u>	<u>\$ 6,692,037.41</u>	<u>\$ 11,189,357.26</u>	<u>\$ 2,603,526.06</u>
Appropriation by N.J.S.A. 40A:4-87		\$ 1,870,754.48				
Emergency Authorizations (N.J.S.A. 40A:4-46)		193,805.00				
Budget		<u>188,010,543.55</u>				
		<u>\$ 190,075,103.03</u>				

(Continued)

**CITY OF CAMDEN**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Due Federal and State Grant Fund:						
Overexpenditure of Appropriation - Grant			\$ 732.00			
Matching Funds for Grants			181,188.00			
Payments made by Federal and State Grant Fund			70,483.46			
Reserve for Federal and State Grants - Appropriated			4,177,181.04			
Due Trust - Other Fund:						
Reserve for Unemployment Compensation Insurance			300,000.00			
Reserve for Workmen's Compensation			2,300,000.00			
Reserve for Health Benefits			23,375,000.00			
Reserve for Self-Insurance			2,000,000.00			
Reserve for Compensated Absences			500,000.00			
Payments made by Trust - Other Fund			7,246,320.55			
Due General Capital Fund:						
Cap Waiver:						
Downpayment Capital Improvement			232,330.75			
Payment of Bond Principal			440,000.00			
Payment of Bond Anticipation Notes and Capital Notes			1,200,000.00			
Interest on Bonds			250,300.00			
Interest on Notes			80,678.40			
Deferred Charges:						
Emergency Authorizations (N.J.S.A. 40A:4-47)			10,724.00			
Reserve for Uncollected Taxes			5,675,038.20			
Disbursements			121,550,205.90			
			<u>\$ 169,590,182.30</u>			

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

**CITY OF CAMDEN**  
**TRUST FUNDS**  
 Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
 As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash	SB-1	\$ 23,181.17	\$ 18,848.07
Other Funds:			
Cash	SB-1	17,221,600.22	12,349,679.90
Investments	SB-5	654,852.46	646,649.56
United States Department of Housing and Urban Development:			
Community Development Block Grant Receivable	SB-6	2,973,855.64	2,873,998.74
Emergency Shelter Grant Receivable	SB-7	179,050.97	252,994.83
HOME Investment Partnership Receivable	SB-8	1,751,056.53	1,499,797.17
Housing Opportunities for Persons with AIDS Receivable	SB-9	962,242.73	1,107,984.67
Due from Current Fund	SB-10	4,192,402.35	6,293,693.94
Due from Federal and State Grant Fund	SB-11	996,687.59	996,687.59
Due from Water Utility Operating Fund	SD-13	156,923.56	
Total Other Funds		<u>29,088,672.05</u>	<u>26,021,486.40</u>
Total Assets		<u>\$ 29,111,853.22</u>	<u>\$ 26,040,334.47</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCES</u></b>			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 16,897.62	\$ 10,767.27
Due to State of New Jersey	SB-3	96.00	142.80
Reserve for Animal Control Fund Expenditures	SB-4	6,187.55	7,938.00
Total Animal Control Fund		<u>23,181.17</u>	<u>18,848.07</u>
Other Funds:			
Due to Current Fund			
Due to Bank	SB-12		1,176.84
Reserve for Payroll Deductions Payable	SB-13	576,623.20	507,509.37
Reserve for Unemployment Compensation Insurance	SB-14	1,101,969.70	996,568.99
Reserve for Workmen's Compensation	SB-15	1,333,688.99	686,488.92
Reserve for Health Benefits	SB-16	7,559,887.29	4,885,086.87
Reserve for Self-Insurance	SB-17	2,366,988.99	1,638,309.55
Reserve for Law Enforcement Trust Fund Seized Funds	SB-18	293,247.03	308,610.70
Reserve for Federal Law Enforcement Trust Fund	SB-19	4.08	4,662.80
Reserve for United States Department of Housing and Urban Development:			
Community Development Block Grant	SB-20	4,965,863.53	3,971,247.20
Emergency Shelter Grant	SB-21	104,892.95	173,148.37
HOME Investment Partnership Program	SB-22	1,618,937.22	1,290,214.22
Housing Opportunities for Persons with AIDS	SB-23	928,155.91	1,084,290.64
Miscellaneous Trust Other Reserves	SB-24	8,129,115.71	10,361,547.11
Reserve for Local Law Enforcement Funds - Due Camden County Prosecutor		6,889.05	6,889.05

(Continued)

**CITY OF CAMDEN**  
**TRUST FUNDS**  
 Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
 As of June 30, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCES (CONT'D)</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Other Funds (Cont'd):			
Due to General Capital Fund	SC-5	\$ 80,752.16	\$ 81,465.26
Due to Sewer Utility Operating Fund	SE-3	17,199.73	19,814.00
Due to Public Trust Fund	F	<u>4,456.51</u>	<u>4,456.51</u>
Total Other Funds		<u>29,088,672.05</u>	<u>26,021,486.40</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 29,111,853.22</u>	<u>\$ 26,040,334.47</u>

The accompanying notes to financial statements are an integral part of these statements.



**CITY OF CAMDEN**  
**GENERAL CAPITAL FUND**  
Comparative Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Cash	SC-1	\$ 2,244,031.88	\$ 17,434,002.67
Loans Receivable:			
State of New Jersey - Demolition Loan	SC-3	379,309.00	1,293,420.00
Rutgers University	SC-4	269,409.61	328,213.21
Due from Trust - Other Funds	SC-5	80,752.16	81,465.26
Deferred Charges to Future Taxation:			
Funded	SC-6	12,318,504.69	13,885,968.49
Unfunded	SC-7	13,925,365.82	10,125,365.82
Due from Current Fund	SC-8	2,419,493.41	493,246.07
Deferred Charge - Expenditure without Appropriation	SC-9	_____	_____
		\$ 31,636,866.57	\$ 43,874,012.27
Total Assets		<u><u>\$ 31,636,866.57</u></u>	<u><u>\$ 43,874,012.27</u></u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Reserve for Loans Receivable:			
Rutgers University	SC-4	\$ 269,409.61	\$ 328,213.21
Improvement Authorizations:			
Funded	SC-10	2,836,765.77	8,293,093.30
Unfunded	SC-10	3,974,689.09	4,102,859.35
Contracts Payable	SC-11	3,636,411.32	6,271,595.43
New Jersey Department of Environmental Protection Loans Payable	SC-12	389,704.69	454,968.49
Urban and Rural Centers Unsafe Building Demolition Program Loans Payable	SC-13	4,798,800.00	5,861,000.00
Bond Anticipation Notes	SC-14	8,280,000.00	8,730,000.00
General Obligation Bonds	SC-15	7,130,000.00	7,570,000.00
Reserve for Payment of New Jersey Department of Environmental Protection Loans	SC-16	210,261.51	239,506.72
Fund Balance	C-1	_____	_____
		\$ 31,636,866.57	\$ 43,874,012.27
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 31,636,866.57</u></u>	<u><u>\$ 43,874,012.27</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

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Balance June 30, 2015	\$ 2,022,775.77
Increased by:	
Transfer from Reserve for Payment of New Jersey Department of Environmental Protection Loans	88,048.81
	2,110,824.58
Decreased by:	
2016 Anticipated Revenue: Capital Surplus	2,000,000.00
Balance June 30, 2016	\$ 110,824.58

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

**CITY OF CAMDEN**  
**WATER UTILITY FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash	SD-1	\$ 1,688,964.81	\$ 6,201,096.48
Due from Current Fund	SD-3	1,396,062.25	
Due from Water Utility Capital Fund	SD-14	3,871,094.95	3,071,094.95
		<u>6,956,122.01</u>	<u>9,272,191.43</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	1,996,817.16	3,007,745.72
Water Utility Liens Receivable	SD-5	9,801,600.88	9,009,783.76
		<u>11,798,418.04</u>	<u>12,017,529.48</u>
Deferred Charges:			
Overexpenditure of Appropriation	SD-6	48,215.69	48,215.69
		<u>18,802,755.74</u>	<u>21,337,936.60</u>
Capital Fund:			
Cash	SD-1, SD-2	256,501.55	407,607.31
Fixed Capital		99,235,702.17	99,235,702.17
Fixed Capital Authorized and Uncompleted	SD-7	12,560,000.00	12,560,000.00
Due from State of New Jersey:			
Environmental Infrastructure Trust Fund Receivable:			
Loan Proceeds	SD-8	689,696.00	4,562,683.00
Due from Sewer Utility Capital Fund	SE-1	3,872,987.00	
		<u>116,614,886.72</u>	<u>116,765,992.48</u>
Total Assets		<u>\$ 135,417,642.46</u>	<u>\$ 138,103,929.08</u>

(Continued)

**CITY OF CAMDEN**  
**WATER UTILITY FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Operating Fund:			
Appropriation Reserves	D-3, SD-9	\$ 1,878,513.22	\$ 135,368.18
Reserve for Encumbrances	D-3, SD-9	510,517.23	217,733.15
Accounts Payable	SD-10		46,114.25
Accrued Interest on Loans	SD-11	260,280.01	284,486.12
Prepaid Water Rents	SD-12	313,812.58	312,925.44
Due to Current Fund	SD-3		283,925.62
Due to Federal and State Grant Fund	SD-1	26,868.00	
Due to Trust - Other Funds	SD-13	156,923.56	
Due to Sewer Utility Operating Fund	SE-4	339,405.47	347,115.81
		<u>3,486,320.07</u>	<u>1,627,668.57</u>
Reserve for Receivables		11,798,418.04	12,017,529.48
Fund Balance	D-1	<u>3,518,017.63</u>	<u>7,692,738.55</u>
Total Operating Fund		<u>18,802,755.74</u>	<u>21,337,936.60</u>
Capital Fund:			
Due to Water Utility Operating Fund	SD-14	3,871,094.95	3,071,094.95
Improvement Authorizations:			
Funded	SD-15	840,883.26	924,824.96
Unfunded	SD-15	3,821,388.14	3,797,470.54
Contracts Payable	SD-16	525,551.02	1,416,632.68
Reserve for Amortization	SD-17	78,673,245.41	75,326,105.75
Deferred Reserve for Amortization	SD-18	1,995,000.00	1,995,000.00
Due to State of New Jersey:			
Environmental Infrastructure Trust Loans Payable	SD-19	25,043,983.30	28,391,122.96
Capital Improvement Fund		393,985.06	393,985.06
Reserve for Payment of New Jersey Environmental Infrastructure Loans		<u>1,449,755.58</u>	<u>1,449,755.58</u>
Total Capital Fund		<u>116,614,886.72</u>	<u>116,765,992.48</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 135,417,642.46</u>	<u>\$ 138,103,929.08</u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**WATER UTILITY OPERATING FUND**  
 Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 5,726,380.31	\$ 1,300,000.00
Water Utility Rents	10,430,140.82	9,946,856.74
Miscellaneous	913,753.52	954,544.47
Merchantville-Pennsauken Water Commission	179,582.48	179,582.48
Capacity Fees	889,187.40	401,604.35
Non-Budget Revenues		65,412.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	153,481.33	292.61
Cancellation of:		
Accounts Payable		8,979.37
 Total Income	 <u>18,292,525.86</u>	 <u>12,857,272.59</u>
<u>Expenditures</u>		
Operating	8,169,058.31	8,124,704.76
Debt Service	3,976,308.16	3,961,129.33
Statutory Expenditures	<u>4,595,500.00</u>	
 Total Expenditures	 <u>16,740,866.47</u>	 <u>12,085,834.09</u>
 Excess in Revenue	 1,551,659.39	 771,438.50
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charged to Budget of Succeeding Year	 -	 48,215.69
 Statutory Excess to Surplus	 1,551,659.39	 819,654.19
<u>Fund Balance</u>		
Balance July 1	<u>7,692,738.55</u>	<u>8,173,084.36</u>
 Decreased	 9,244,397.94	 8,992,738.55
Utilized as Revenue	<u>5,726,380.31</u>	<u>1,300,000.00</u>
 Balance June 30	 <u>\$ 3,518,017.63</u>	 <u>\$ 7,692,738.55</u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**WATER UTILITY OPERATING FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Anticipated Budget	Realized	Excess or Deficit
Operating Surplus Anticipated	\$ 5,726,380.31	\$ 5,726,380.31	
Rents	9,946,586.00	10,430,140.82	\$ 483,554.82
Miscellaneous	630,000.00	913,753.52	283,753.52
Merchantville-Pennsauken Water Commission	179,000.00	179,582.48	582.48
Capacity Fee & Other	350,000.00	889,187.40	539,187.40
	<u>16,831,966.31</u>	<u>18,139,044.53</u>	<u>1,307,078.22</u>
Budget Totals	<u>16,831,966.31</u>	<u>18,139,044.53</u>	<u>1,307,078.22</u>
Total Water Utility Revenues	<u>\$ 16,831,966.31</u>	<u>\$ 18,139,044.53</u>	<u>\$ 1,307,078.22</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected

\$ 9,882,380.87

Application of Prepaid Water Rents

312,925.44

Water Utility Liens Collected:

Receipts

234,834.51

\$ 10,430,140.82

Miscellaneous:

Receipts:

Interest and Penalties

\$ 196,317.52

New Jersey Environmental Infrastructure Trust -

Earnings and Savings Credits

717,436.00

\$ 913,753.52

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

**CITY OF CAMDEN**  
**WATER UTILITY OPERATING FUND**  
**Statement of Expenditures - Regulatory Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Appropriations		Expended			Unexpended Balance Canceled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved	
Operating:						
Other Expenses	\$ 8,169,058.31	\$ 8,169,058.31	\$ 5,780,027.86	\$ 510,517.23	\$ 1,878,513.22	
Total Operating	8,169,058.31	8,169,058.31	5,780,027.86	510,517.23	1,878,513.22	-
Debt Service:						
Payment on Loan Principal	3,347,140.00	3,347,140.00	3,347,139.66			\$ 0.34
Interest on Bonds	720,268.00	720,268.00	629,168.50			91,099.50
Total Debt Service	4,067,408.00	4,067,408.00	3,976,308.16	-	-	91,099.84
Statutory Expenditures:						
Surplus (General Budget)	4,595,500.00	4,595,500.00	4,595,500.00			
Total Statutory Expenditures	4,595,500.00	4,595,500.00	4,595,500.00	-	-	-
Total Water Utility Appropriations	<u>\$ 16,831,966.31</u>	<u>\$ 16,831,966.31</u>	<u>\$ 14,351,836.02</u>	<u>\$ 510,517.23</u>	<u>\$ 1,878,513.22</u>	<u>\$ 91,099.84</u>
Due Current Fund:						
2016 Anticipated Revenue			\$ 4,595,500.00			
Interest on Loans			629,168.50			
Disbursements			9,127,167.52			
			<u>\$ 14,351,836.02</u>			

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

**CITY OF CAMDEN**  
**SEWER UTILITY FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash	SE-1	\$ 5,348,465.09	\$ 10,275,660.11
Due from Current Fund	SE-14	2,024,896.60	
Due from Trust - Other Funds	SE-3	17,199.73	19,814.00
Due from Water Utility Operating Fund	SE-4	339,405.47	347,115.81
		<u>7,729,966.89</u>	<u>10,642,589.92</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-5	2,452,910.69	3,645,757.75
Sewer Utility Liens Receivable	SE-6	6,301,326.47	5,928,785.97
		<u>8,754,237.16</u>	<u>9,574,543.72</u>
Deferred Charges:			
Overexpenditure of Appropriations	SE-7	35,987.01	26,434.57
		<u>35,987.01</u>	<u>26,434.57</u>
<b>Total Operating Fund</b>		<u>16,520,191.06</u>	<u>20,243,568.21</u>
Capital Fund:			
Cash	SE-1, SE-2	5,451,156.93	2,338,393.77
Fixed Capital		64,956,700.00	64,956,700.00
Fixed Capital Authorized and Uncompleted	SE-8	20,760,000.00	20,760,000.00
Due from State of New Jersey:			
Environmental Infrastructure Trust Fund Receivable	SE-9	1,063,656.00	2,658,102.00
Environmental Infrastructure Trust Fund Receivable - Principal Forgiveness	SE-10	350,228.00	2,000,000.00
Due from Sewer Utility Operating Fund	SE-11	1,496,368.48	1,084,368.48
<b>Total Capital Fund</b>		<u>94,078,109.41</u>	<u>93,797,564.25</u>
<b>Total Assets</b>		<u>\$ 110,598,300.47</u>	<u>\$ 114,041,132.46</u>

(Continued)



**CITY OF CAMDEN**  
**SEWER UTILITY FUND**  
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of June 30, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3, SE-12	\$ 903,398.76	\$ 58,308.53
Reserve for Encumbrances	E-3, SE-12	521,298.88	741,534.38
Accounts Payable	SE-13	98,753.55	51,053.86
Due to Current Fund	SE-14		4,528,940.04
Due to Sewer Utility Capital Fund	SE-11	1,496,368.48	1,084,368.48
Accrued Interest on Loans	SE-15	173,073.97	163,521.53
Prepaid Sewer Rents	SE-16	263,111.71	203,356.33
		<u>3,456,005.35</u>	<u>6,831,083.15</u>
Reserve for Receivables		8,754,237.16	9,574,543.72
Fund Balance	E-1	<u>4,309,948.55</u>	<u>3,837,941.34</u>
Total Operating Fund		<u>16,520,191.06</u>	<u>20,243,568.21</u>
Capital Fund:			
Reserve for New Jersey Environmental Infrastructure Trust			
Principal Forgiveness	SE-10	350,228.00	2,000,000.00
Contracts Payable	SE-17	1,194,375.04	4,040,636.90
Improvement Authorizations:			
Funded	SE-18	436,970.59	328,634.04
Unfunded	SE-18	1,467,147.85	2,733,664.38
Reserve for Amortization	SE-19	55,977,380.77	53,861,463.17
Deferred Reserve for Amortization	SE-20	6,059,857.00	4,410,085.00
New Jersey Environmental Infrastructure Trust			
Loans Payable	SE-21	21,967,698.78	23,671,616.38
Due to Water Utility Capital Fund	SE-1	3,872,987.00	
Capital Improvement Fund		1,308,553.53	1,308,553.53
Capital Fund Balance		<u>1,442,910.85</u>	<u>1,442,910.85</u>
Total Capital Fund		<u>94,078,109.41</u>	<u>93,797,564.25</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 110,598,300.47</u>	<u>\$ 114,041,132.46</u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**SEWER UTILITY OPERATING FUND**  
 Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Operating Surplus Anticipated	\$ 618,927.01	\$ 2,950,000.00
Sewer Utility Rents	8,022,796.48	8,208,595.87
Miscellaneous	795,242.24	400,906.12
Capacity Fee	1,058,491.19	664,844.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	61,953.58	74,249.22
Cancellation of Prepaid Sewer Rents	203,356.33	
	<u>10,760,766.83</u>	<u>12,298,595.21</u>
<u>Expenditures</u>		
Operating	7,150,000.43	7,188,832.50
Debt Service	2,117,384.62	1,935,601.82
Deferred Charges	412,000.00	1,412,000.00
	<u>9,679,385.05</u>	<u>10,536,434.32</u>
Excess in Revenue	1,081,381.78	1,762,160.89
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charged to Budget of Succeeding Year	9,552.44	26,434.57
Statutory Excess to Surplus	1,090,934.22	1,788,595.46
<u>Fund Balance</u>		
Balance July 1	<u>3,837,941.34</u>	<u>4,999,345.88</u>
Decreased	4,928,875.56	6,787,941.34
Utilized as Revenue	618,927.01	2,950,000.00
Balance June 30	<u>\$ 4,309,948.55</u>	<u>\$ 3,837,941.34</u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Revenues - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Operating Surplus Anticipated	\$ 618,927.01	\$ 618,927.01	
Rents	8,200,000.00	8,022,796.48	\$ (177,203.52)
Miscellaneous	400,906.00	795,242.24	394,336.24
Capacity Fee	<u>450,000.00</u>	<u>1,058,491.19</u>	<u>608,491.19</u>
Budget Totals	<u>9,669,833.01</u>	<u>10,495,456.92</u>	<u>825,623.91</u>
Total Sewer Utility Revenues	<u>\$ 9,669,833.01</u>	<u>\$ 10,495,456.92</u>	<u>\$ 825,623.91</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected

\$ 7,860,138.34

Sewer Utility Liens Receivable:

Receipts

162,658.14

\$ 8,022,796.48

Miscellaneous:

Interest and Penalties

\$ 202,250.36

New Jersey Environmental Infrastructure Trust -

Earnings and Savings Credits

592,991.88

\$ 795,242.24

Capacity Fee:

Receipts

\$ 1,058,491.19

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

**CITY OF CAMDEN**  
**SEWER UTILITY OPERATING FUND**  
Statement of Expenditures - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Original Budget	Budget After Modifications	Paid or Charged	Encumbrances	Reserved		
Operating:							
Other Expenses	\$ 7,150,000.43	\$ 7,150,000.43	\$ 5,725,302.79	\$ 521,298.88	\$ 903,398.76		
Total Operating	<u>7,150,000.43</u>	<u>7,150,000.43</u>	<u>5,725,302.79</u>	<u>521,298.88</u>	<u>903,398.76</u>	-	-
Debt Service:							
Payment on Loan Principal	1,703,918.00	1,703,918.00	1,703,917.60			\$ 0.40	
Interest on Bonds	<u>403,914.58</u>	<u>403,914.58</u>	<u>413,467.02</u>				\$ 9,552.44
Total Debt Service	<u>2,107,832.58</u>	<u>2,107,832.58</u>	<u>2,117,384.62</u>	-	-	0.40	9,552.44
Deferred Charges:							
Paydown of Unfunded Capital Ordinances	<u>412,000.00</u>	<u>412,000.00</u>	<u>412,000.00</u>				
Total Deferred Charges	<u>412,000.00</u>	<u>412,000.00</u>	<u>412,000.00</u>	-	-	-	-
Total Sewer Utility Appropriations	<u>\$ 9,669,833.01</u>	<u>\$ 9,669,833.01</u>	<u>\$ 8,254,687.41</u>	<u>\$ 521,298.88</u>	<u>\$ 903,398.76</u>	<u>\$ 0.40</u>	<u>\$ 9,552.44</u>
Interest on Loans			\$ 413,467.02				
Deferred Charges:							
Due Sewer Utility Capital Fund:							
Paydown of Unfunded Capital Ordinances			412,000.00				
Disbursements			<u>7,429,220.39</u>				
			<u>\$ 8,254,687.41</u>				

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

**CITY OF CAMDEN**  
**PUBLIC TRUST FUND**  
 Comparative Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
 As of June 30, 2016 and 2015

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	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Due from Trust - Other Fund	B	<u>\$ 4,456.51</u>	<u>\$ 4,456.51</u>
Total Assets		<u><u>\$ 4,456.51</u></u>	<u><u>\$ 4,456.51</u></u>
<u>LIABILITIES AND RESERVES</u>			
Due to Current Fund	A	<u>\$ 4,456.51</u>	<u>\$ 4,456.51</u>
Total Liabilities and Reserves		<u><u>\$ 4,456.51</u></u>	<u><u>\$ 4,456.51</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF CAMDEN**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts - Regulatory Basis  
For the Fiscal Year Ended June 30, 2016

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	(Restated) Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
General Fixed Assets:				
Land and Buildings	\$ 120,718,036.00		\$ 414,000.00	\$ 120,304,036.00
Furniture, Equipment and Vehicles	<u>14,745,963.97</u>	<u>\$ 1,866,125.40</u>	<u>26,500.00</u>	<u>16,585,589.37</u>
	<u>\$ 135,463,999.97</u>	<u>\$ 1,866,125.40</u>	<u>\$ 440,500.00</u>	<u>\$ 136,889,625.37</u>
Investment in General Fixed Assets	<u>\$ 135,463,999.97</u>	<u>\$ 1,866,125.40</u>	<u>\$ 440,500.00</u>	<u>\$ 136,889,625.37</u>

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

**CITY OF CAMDEN**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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

**Description of Financial Reporting Entity** - The City of Camden (hereafter referred to as the "City") was incorporated in 1828. It is the seventh largest city in the State of New Jersey, and covers a land area of 9.8 square miles in Camden County, in the southwest portion of the State. The City is the county seat. It is located directly across the Delaware River from Philadelphia, Pennsylvania, and is part of the Philadelphia Standard Metropolitan Statistical Area ("SMSA"). According to the 2010 census, the population is 77,344.

The City has a Mayor-Council form of government. In 1994, the City opted to modify the form of government. At that time, the City was divided into four districts instead of electing the entire Council at-large. One Council member is elected from each of the four districts and three Council members are elected at-large. The Mayor is separately elected. The executive and administrative responsibility rests with the Mayor, who is assisted by the City Clerk and the City Business Administrator.

**Component Units** - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the City, the primary government:

City of Camden Free Public Library  
418 Federal Street  
Camden, New Jersey 08101

City of Camden Redevelopment Agency  
13<sup>th</sup> Floor City Hall  
Camden, New Jersey 08101

City of Camden Housing Authority  
2021 Watson Street  
Camden, New Jersey 08105

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the City contain all funds and account groups in accordance with the *Requirements of Audit* ("Requirements") 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* 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.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)** - In accordance with the *Requirements*, the City 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 Utility Operating and Capital Funds** - The water utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water utility.

**Sewer Utility Operating and Capital Funds** - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

**Public Trust Fund** - The public trust fund was utilized to account for receipt, custodianship, and disbursement of monies in accordance with the purpose for which each reserve within the fund was created. This fund, however, is no longer utilized by the City; therefore, after the liquidation of outstanding interfund balances, the fund will no longer be reported.

**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.

**Budgets and Budgetary Accounting** - The City must adopt an annual budget for its current, water utility, 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 August 10 of each fiscal 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 City'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; therefore, unrealized gains or losses on investments have not been recorded.



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

**Cash, Cash Equivalents and Investments (Cont'd)** - 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 City 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 fiscal 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.

**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 City 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 acquisition value as of the date of the transaction. 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 City 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 asset group of accounts, reflecting the activity for the fiscal year, must be included in the City's basic financial statements.

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

**General Fixed Assets (Cont'd)** - 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 include 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, 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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**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 fiscal 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, water utility operating fund, and sewer utility operating fund represent amounts available for anticipation as revenue in future fiscal 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 is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**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 City's annual budget, but also the amounts required in support of the budgets of the County of Camden and the City of Camden School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Camden School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2015 to June 30, 2016.

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

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. 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 calendar year. In municipalities that which operate on a fiscal year (i.e. July 1 - June 30), such as the City, operations is charged for the full amount of taxes required to be paid during the calendar year 2015 less one-half of the calendar year 2014 taxes, plus one-half of the full amount of taxes required to be paid during 2016. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation on October 10 of the current fiscal year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding fiscal year, with certain exceptions, is required to provide assurance that cash collected in the current fiscal 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 June 30, 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 fiscal 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 fiscal 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 fiscal 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 City's deposits might not be recovered. Although the City 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 \$250,000.00 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 agency 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 are classified as uninsured and uncollateralized.

As of June 30, 2016, the City's bank balances of \$79,666,434.51 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 15,069,354.94
Insured under FDIC	1,250,000.00
Insured under GUDPA	<u>63,347,079.57</u>
Total	<u>\$ 79,666,434.51</u>

**New Jersey Cash Management Fund** - During the fiscal year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2016, the City's deposits with the New Jersey Cash Management Fund were \$995.19.

**Note 3: INVESTMENTS**

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The City has no investment policy that would further limit its investment choices.

**Note 3: INVESTMENTS (CONT'D)**

At June 30, 2016, the City had the following investments:

<u>Investment</u>	<u>Cost</u>	<u>Fair Value</u>
Current Fund:		
T-Fund Inst'l Shares	\$ 24,202.03	\$ 24,202.03
Trust - Other Funds:		
Mutual Funds - Money Market	12,668.41	12,668.41
Mutual Funds - Fixed Income	479,195.80	495,641.70
ETF - Equities	31,567.28	33,893.52
Mutual Funds - Equity	131,420.97	221,219.71
Total Trust - Other Funds	<u>654,852.46</u>	<u>763,423.34</u>
Total	<u>\$ 679,054.49</u>	<u>\$ 787,625.37</u>

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

As of June 30, 2016, the City's balance of investments was \$679,054.49, which consisted of mutual funds. Mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City has no investment policy to limit its exposure to custodial credit risk.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City has no investment policy that would further limit its exposure to credit risk. As of June 30, 2016, the City's investments with BlackRock (\$24,202.03) were rated AAAM and Aaa-mf by Standard and Poor's and Moody's, respectively. Such ratings were not available for the City's investments with PNC Wealth Management (\$654,852.46).

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City's investment policies place no limit on the amount the City may invest in any one issuer. Since all of the City's investments are in mutual funds, no disclosures are required for the concentration of credit risk as such investments are exempt from such disclosure.

**Note 4: 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 calendar / fiscal years:

	<u>Calendar Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 2.861</u>	<u>\$ 2.754</u>	<u>\$ 2.688</u>	<u>\$ 2.667</u>	<u>\$ 2.489</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.529	\$ 1.472	\$ 1.436	\$ 1.414	\$ 1.378
County	.829	.787	.761	.764	.639
Library	.053	.049	.049	.048	.042
County Open Space Preservation Trust Fund	.021	.020	.019	.020	.019
District School	.429	.426	.423	.421	.411

**Assessed Valuation**

<u>Calendar Year</u>	<u>Amount</u>
2016	\$ 1,696,103,611.00
2015	1,704,835,808.00
2014	1,717,353,620.00
2013	1,728,812,148.00
2012	1,765,579,001.00

**Comparison of Tax Levies and Collections**

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 47,917,602.14	\$ 42,847,364.58	89.42%
2015	46,538,949.65	41,642,421.55	89.48%
2014	47,459,218.04	42,971,155.53	90.54%
2013	44,223,776.00	39,340,576.00	88.96%
2012	45,026,745.23	39,054,714.75	86.74%

**Delinquent Taxes and Tax Title Liens**

<u>Fiscal Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 58,331,168.16	\$ 476,320.92	\$ 58,807,489.08	122.73%
2015	55,477,318.02	528,335.18	56,005,653.20	120.34%
2014	52,066,090.13	598,036.83	52,664,126.96	110.97%
2013	48,821,777.96	563,096.00	49,384,873.96	111.67%
2012	47,126,624.55	726,617.86	47,853,242.41	106.28%

**Note 4: PROPERTY TAXES (CONT'D)**

The following comparison is made of the number of tax title liens receivable on June 30 for the current and previous four fiscal years:

<u>Fiscal Year</u>	<u>Number</u>
2016	16,008
2015	15,174
2014	14,466
2013	13,608
2012	13,234

**Note 5: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, for the current and previous four fiscal years was as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 50,765,500.00
2015	50,714,900.00
2014	2,521,860.00
2013	2,515,259.73
2012	2,839,860.00

**Note 6: 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 fiscal years:

**Water**

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>				<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	
2016	\$ 3,007,745.72	\$ 9,009,783.76	\$ 11,559,114.67	\$ 23,576,644.15	\$ 10,430,140.82
2015	3,557,433.26	8,627,584.85	9,816,331.77	22,001,349.88	9,946,856.74
2014	4,870,108.23	8,241,832.33	13,278,685.66	26,390,626.22	12,820,435.91
2013	3,292,919.24	7,693,087.05	13,689,785.00	24,675,791.29	11,614,678.00
2012	4,289,009.97	1,250,822.84	11,321,475.81	16,861,308.62	11,665,463.37

**Sewer**

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>				<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	
2016	\$ 3,645,757.75	\$ 5,928,785.97	\$ 8,026,468.23	\$ 17,601,011.95	\$ 8,022,796.48
2015	3,381,270.91	5,708,354.61	8,725,184.12	17,814,809.64	8,208,595.87
2014	3,546,245.10	5,637,431.73	8,119,714.96	17,303,391.79	7,097,055.52
2013	3,019,352.00	5,237,812.77	7,857,588.00	16,114,752.77	7,114,780.00
2012	2,720,119.02	838,790.08	7,623,680.94	11,182,590.04	6,894,359.28

**Note 6: WATER AND SEWER UTILITY SERVICE CHARGES (CONT'D)**

There are a number of consumer accounts receivable accounts identified that have delinquent balances in excess of ninety (90) days old for water and sewer utility charges. As a result, the collectability of the accounts is uncertain. As of June 30, 2016, the balance of such accounts is unknown as a result of support by individual consumer account being unavailable. During fiscal year 2017, the City will review the balances for proper disposition.

**Note 7: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current fiscal year and four previous fiscal years and the amounts utilized in the subsequent fiscal year's budgets:

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2016	\$ 14,980,328.27	\$ 14,179,977.75 <sup>(1)</sup>	94.66%
2015	11,692,075.47	11,691,100.00	99.99%
2014	14,362,879.88	14,228,483.00	99.06%
2013	24,014,469.50	15,899,999.15	66.21%
2012	13,412,904.61	6,441,929.00	48.03%
<b><u>Water Utility Operating Fund</u></b>			
2016	\$ 3,518,017.63	\$ 1,406,149.90 <sup>(1)</sup>	39.97%
2015	7,692,738.55	5,726,380.31	74.44%
2014	8,173,084.36	1,300,000.00	15.91%
2013	6,983,475.71	2,573,399.57	36.85%
2012	6,261,017.62	1,371,807.00	21.91%
<b><u>Sewer Utility Operating Fund</u></b>			
2016	\$ 4,309,948.55	\$ 1,818,257.98 <sup>(1)</sup>	42.19%
2015	3,837,941.34	618,927.01	16.13%
2014	4,999,345.88	2,950,000.00	59.01%
2013	7,774,089.04	4,150,000.00	53.38%
2012	9,769,017.64	2,823,172.00	28.90%

<sup>(1)</sup> as introduced



**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of June 30, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 21,354.13	\$ 12,164,355.09
Federal and State Grant	2,158,368.48	996,687.59
Trust - Animal Control		16,897.62
Trust - Other	5,346,013.50	102,408.40
General Capital	2,500,245.57	
Water Utility Operating	5,267,157.20	523,197.03
Water Utility Capital	3,872,987.00	3,871,094.95
Sewer Utility Operating	2,381,501.80	1,496,368.48
Sewer Utility Capital	1,496,368.48	3,872,987.00
Public Trust	4,456.51	4,456.51
	<u>\$ 23,048,452.67</u>	<u>\$ 23,048,452.67</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the fiscal year 2017, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: PENSION PLANS**

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits ("Division"). In addition, several City employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. 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  
<http://www.nj.gov/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time firemen of the City. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The City's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.13% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the fiscal year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the City's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 is \$2,289,110.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the City's contractually required contribution to the pension plan for the fiscal year ended June 30, 2015 was \$2,333,883.00, which was paid on April 1, 2016. Employee contributions to the plan during the fiscal year ended June 30, 2016 were \$1,237,526.31.

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

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

The City's contractually required contribution rate for the fiscal year ended June 30, 2016 was 26.35% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the City's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 is \$4,318,184.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the City's contractually required contribution to the pension plan for the fiscal year ended June 30, 2015 was \$4,281,913.00, which was paid on April 1, 2016. Employee contributions to the plan during the fiscal year ended June 30, 2016 were \$1,639,012.60.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the fiscal year ended June 30, 2016 is not known; however, its contractually required contribution rate for the fiscal year ended June 30, 2015 was 2.44% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the City, to the pension plan for the fiscal year ended June 30, 2015 was \$400,551.00, and was paid by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the City, to the pension plan for the fiscal year ended June 30, 2014 was \$370,276.00, and was paid on April 1, 2015.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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 City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$70,182.01, and the City's contributions were \$38,281.64. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees' Retirement System** - At June 30, 2016, the City's proportionate share of the PERS net pension liability was \$60,938,768.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the City's proportion was 0.2714664026%, which was an increase of 0.0144500186% from its proportion measured as of June 30, 2014.

At June 30, 2016, the City's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$5,061,066.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, during fiscal year ended June 30, 2016, the City's contribution to PERS was \$2,333,883.00 and was paid on April 1, 2016.

**Police and Firemen's Retirement System** - At June 30, 2016, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 87,742,721.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>7,694,742.00</u>
	<u>\$ 95,437,463.00</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the City's proportion was 0.5267772103%, which was a decrease of 0.6863294187% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the City, was 0.5267772103%, which was a decrease of 0.1315491326% from its proportion, on-behalf of the City, measured as of June 30, 2014.

At June 30, 2016, the City's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$7,788,317.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, during fiscal year ended June 30, 2016, the City's contribution to PFRS was \$4,281,913.00 and was paid on April 1, 2016.

At June 30, 2016, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the plan as of the June 30, 2015 measurement date is \$7,694,742.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At June 30, 2016, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 1,453,785.00	\$ -	\$ 1,453,785.00	\$ -	\$ 756,809.00	\$ 756,809.00
Changes of Assumptions	6,544,337.00	16,199,486.00	22,743,823.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	979,778.00	1,527,085.00	2,506,863.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	4,858,049.00	1,457,786.00	6,315,835.00	-	996,210.00	996,210.00
City Contributions Subsequent to the Measurement Date	2,289,110.00	4,318,184.00	6,607,294.00	-	-	-
	<u>\$15,145,281.00</u>	<u>\$ 21,975,456.00</u>	<u>\$ 37,120,737.00</u>	<u>\$ 979,778.00</u>	<u>\$ 3,280,104.00</u>	<u>\$ 4,259,882.00</u>

\$2,289,110.00 and \$4,318,184.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The City will amortize the aforementioned other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Fiscal Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
<u>Ending June 30,</u>			
2017	\$ 2,335,617.00	\$ 1,871,079.00	\$ 4,206,696.00
2018	2,335,617.00	1,871,079.00	4,206,696.00
2019	2,335,617.00	1,871,078.00	4,206,695.00
2020	3,052,551.00	5,764,095.00	8,816,646.00
2021	1,816,991.00	2,999,837.00	4,816,828.00
	<u>\$11,876,393.00</u>	<u>\$ 14,377,168.00</u>	<u>\$ 26,253,561.00</u>

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability were 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively, and 5.79% and 6.32% for PFRS as of June 30, 2015 and 2014, respectively. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the City's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 75,739,432.00	\$ 60,938,768.00	\$ 48,529,998.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the City and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>1% Decrease (4.79%)</b>	<b>Current Discount Rate (5.79%)</b>	<b>1% Increase (6.79%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 115,672,762.00	\$ 87,742,721.00	\$ 64,968,268.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	10,144,113.00	7,694,742.00	5,697,499.00
	<u>\$ 125,816,875.00</u>	<u>\$ 95,437,463.00</u>	<u>\$ 70,665,767.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the City's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Fiscal Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.2714664026%	0.2570163840%	0.2375671563%
City's Proportionate Share of the Net Pension Liability	\$ 60,938,768.00	\$ 48,120,496.00	\$ 45,403,804.00
City's Covered Payroll (Plan Measurement Period)	\$ 18,480,656.00	\$ 17,500,524.00	\$ 16,293,304.00
City's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	329.74%	274.97%	278.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

***Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Three Fiscal Years)***

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Contractually Required Contribution	\$ 2,289,110.00	\$ 2,333,883.00	\$ 2,118,806.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(2,289,110.00)</u>	<u>(2,333,883.00)</u>	<u>(2,118,806.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Fiscal Year)	\$ 17,430,768.00	\$ 17,824,124.00	\$ 17,782,634.00
City's Contributions as a Percentage of it's Covered Payroll	13.13%	13.09%	11.92%

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Fiscal Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.5267772103%	1.2131066290%	1.2131066290%
City's Proportionate Share of the Net Pension Liability	\$ 87,742,721.00	\$ 82,811,348.00	\$ 161,271,579.00
State's Proportionate Share of the Net Pension Liability associated with the City	7,694,742.00	8,917,390.00	15,032,470.00
Total	<u>\$ 95,437,463.00</u>	<u>\$ 91,728,738.00</u>	<u>\$ 176,304,049.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 16,657,396.00	\$ 18,493,440.00	\$ 37,204,872.00
City's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	526.75%	447.79%	433.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

***Schedule of the City's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Fiscal Years)***

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Contractually Required Contribution	\$ 4,318,184.00	\$ 4,281,913.00	\$ 5,056,401.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(4,318,184.00)</u>	<u>(4,281,913.00)</u>	<u>(5,056,401.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Fiscal Year)	\$ 16,390,126.00	\$ 16,429,185.00	\$ 16,898,676.00
City's Contributions as a Percentage of it's Covered Payroll	26.35%	26.06%	29.92%

**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions - New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

- 401(a)(17) Pay Limit - 3.00 per annum
- Social Security Wage Base - 4.00 per annum

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions - Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2016 Board meeting.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The City 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 2012, the City authorized participation in the SHBP's post-retirement benefit program through resolution number MC-12:2595. The City provides postemployment health care benefits, at its cost, to all City retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a state locally administered retirement system and have served at least twenty (20) years as an employee of the City of Camden.

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/](http://www.state.nj.us/treasury/pensions/).

**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 City on a monthly basis. The City funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The City's contributions to SHBP for the fiscal year ended June 30, 2016, was \$11,549,545.68, which equaled the required contributions for the fiscal year. There were approximately 664 retired participants eligible at June 30, 2016.

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward to the subsequent year, but must be scheduled by March 31<sup>st</sup> of that year and used by December 31<sup>st</sup>.

The City compensates all employees for unused sick leave upon termination or retirement. The current policy provides that the employee shall receive fifty percent (50%) of total accumulated sick time, but no more than \$15,000.00.

Full-time fire fighters are entitled to eighteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. A maximum of fifteen unused vacation days may be carried forward to the subsequent year.

The City compensates fire fighters for unused sick leave and accumulated vacation days upon retirement. The current policy provides that the employee shall receive compensation for each full vacation day at their full current daily rate and fifty percent (50%) of total accumulated sick time.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences, which at June 30, 2016 had a balance of \$829,494.37. It is estimated that, at June 30, 2016, accrued benefits for compensated absences are valued at \$11,225,319.40.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

The City 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 City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

**Note 13: CAPITAL DEBT**

**General Obligation Bonds** - On July 15, 2014, the City issued \$8,000,000.00 of general obligation bonds, series 2014, at interest rates ranging from 3.0% to 4.0%. The bonds were issued for the purpose of permanently financing the costs of the demolition and removal of abandoned buildings and structures in the City. The final maturity of the bonds is November 15, 2028.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 450,000.00	\$ 236,950.00	\$ 686,950.00
2018	460,000.00	223,300.00	683,300.00
2019	475,000.00	209,275.00	684,275.00
2020	490,000.00	194,800.00	684,800.00
2021	505,000.00	179,875.00	684,875.00
2022-2026	2,800,000.00	646,650.00	3,446,650.00
2027-2029	1,950,000.00	119,000.00	2,069,000.00
	<u>\$ 7,130,000.00</u>	<u>\$ 1,809,850.00</u>	<u>\$ 8,939,850.00</u>

**Note 13: CAPITAL DEBT (CONT'D)**

**New Jersey Department of Environmental Protection Loans** - The City has several New Jersey Department of Environmental Protection loans recorded in the general capital fund which have provided funding for the acquisition and renovations of various parks and recreational facilities within the City. The balance of the loans at June 30, 2016 is \$389,704.69. The interest rate on each loan is two percent (2.0%) with various maturities, with final maturity on July 1, 2024. Principal and interest payments for the issues are due semi-annually.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Department of Environmental Protection loans:

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$ 66,575.62	\$ 7,462.88	\$ 74,038.50
2018	67,913.78	6,124.70	74,038.48
2019	69,278.83	4,786.94	74,065.77
2020	54,003.11	3,381.12	57,384.23
2021	41,094.01	2,434.21	43,528.22
2022-2025	90,839.34	2,435.44	93,274.78
	<u>\$ 389,704.69</u>	<u>\$ 26,625.29</u>	<u>\$ 416,329.98</u>

**Urban and Rural Centers Unsafe Building Demolition Program Loans** - The City has several Urban and Rural Centers Unsafe Building Demolition Program loans recorded in the general capital fund which have provided funding for the demolition of various structures in the City. The loans bear no interest rate and mature in various increments through fiscal year 2034.

The following schedule represents the remaining debt service, through maturity, for the Urban and Rural Centers Unsafe Building Demolition Program loans:

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$ 531,100.00		\$ 531,100.00
2018	531,100.00		531,100.00
2019	531,100.00		531,100.00
2020	531,100.00		531,100.00
2021	531,100.00		531,100.00
2022-2026	1,243,300.00		1,243,300.00
2027-2031	600,000.00		600,000.00
2032-2036	300,000.00		300,000.00
	<u>\$ 4,798,800.00</u>	<u>-</u>	<u>\$ 4,798,800.00</u>

**Note 13: CAPITAL DEBT (CONT'D)**

**New Jersey Environmental Infrastructure (Wastewater Treatment) Trust Loans** - Throughout the years, the City has applied for and received several loans from the State of New Jersey under the Environmental Infrastructure Trust ("NJEIT") Program, which provide funding for various water and sewer related projects in the City's water utility capital fund and sewer utility capital fund. The NJEIT issues debt in order to provide for the funding of such loans, which are awarded to governmental entities through an application process. The funds on hand at the NJEIT for loans committed to the City are recorded as debt in the financial records of the City. The NJEIT acts in a trustee capacity for these funds and the drawdown of these funds are subject to the approval of the NJEIT. The City's loans mature in various increments through fiscal year 2035.

The following schedules represent the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure (Wastewater Treatment) Trust loans:

**Water Utility - New Jersey Environmental Infrastructure Trust Loans**

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$ 3,585,279.88	\$ 579,870.02	\$ 4,165,149.90
2018	3,663,503.77	488,752.50	4,152,256.27
2019	3,759,781.20	392,175.00	4,151,956.20
2020	3,813,213.24	289,738.75	4,102,951.99
2021	3,575,322.72	184,668.75	3,759,991.47
2022-2026	3,954,633.37	302,293.75	4,256,927.12
2027-2031	1,711,117.20	118,137.50	1,829,254.70
2032-2036	981,131.92	25,200.00	1,006,331.92
	<u>\$ 25,043,983.30</u>	<u>\$ 2,380,836.27</u>	<u>\$ 27,424,819.57</u>

**Sewer Utility - New Jersey Environmental Infrastructure Trust Loans**

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2017	\$ 2,023,874.47	\$ 397,302.50	\$ 2,421,176.97
2018	2,061,414.33	360,157.50	2,421,571.83
2019	2,088,845.95	321,118.75	2,409,964.70
2020	2,132,424.61	279,918.75	2,412,343.36
2021	2,163,396.47	236,518.75	2,399,915.22
2022-2026	5,805,866.23	703,900.00	6,509,766.23
2027-2031	3,837,666.00	284,050.00	4,121,716.00
2032-2036	1,854,210.72	57,700.00	1,911,910.72
	<u>\$ 21,967,698.78</u>	<u>\$ 2,640,666.25</u>	<u>\$ 24,608,365.03</u>



**Note 13: CAPITAL DEBT (CONT'D)**

The following schedule represents the City's summary of debt for the current and two previous fiscal years:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 20,598,504.69	\$ 22,615,968.49	\$ 10,389,946.34
Water Utility:			
Loans	25,043,983.30	28,391,122.96	27,090,443.36
Sewer Utility:			
Loans	21,967,698.78	23,671,616.38	16,810,643.13
Total Issued	<u>67,610,186.77</u>	<u>74,678,707.83</u>	<u>54,291,032.83</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	5,645,365.82	1,395,365.82	9,395,365.82
Water Utility:			
Loans	6,083,473.46	6,083,473.46	10,646,156.46
Sewer Utility:			
Loans	1,711,763.45	3,773,535.45	12,620,535.45
Total Authorized but not Issued	<u>13,440,602.73</u>	<u>11,252,374.73</u>	<u>32,662,057.73</u>
Total Issued and Authorized but not Issued	<u>81,050,789.50</u>	<u>85,931,082.56</u>	<u>86,953,090.56</u>
<b><u>Deductions</u></b>			
Water Utility:			
Self-liquidating Debt	31,127,456.76	34,474,596.42	37,736,599.82
Sewer Utility:			
Self-liquidating Debt	23,679,462.23	27,445,151.83	29,431,178.58
Total Deductions	<u>54,806,918.99</u>	<u>61,919,748.25</u>	<u>67,167,778.40</u>
<b>Net Debt</b>	<u>\$ 26,243,870.51</u>	<u>\$ 24,011,334.31</u>	<u>\$ 19,785,312.16</u>



**Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding fiscal years. At June 30, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance June 30, 2016</u>	<u>To be Raised in Subsequent Budgets</u>
Current Fund:		
Emergency Authorizations (N.J.S.A. 40A:4-46)	\$ 193,805.00	\$ 193,805.00
Water Utility Operating Fund:		
Overexpenditure of Appropriations	48,215.69	48,215.69
Sewer Utility Operating Fund:		
Overexpenditure of Appropriations	35,987.01	35,987.01

**Note 15: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The City maintains a level of self-insurance for property, liability, and vehicle insurance, and consequently, has established the reserve for self-insurance in the trust - other funds. The following is a summary of City contributions, interest earnings, settlements and refunds, claims paid, and the ending balance of the City's self-insurance trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>City Contributions</u>	<u>Interest Earnings</u>	<u>Refunds</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2016	\$ 2,000,000.00	\$ 1.54	\$ 281,053.52	\$ 1,552,375.62	\$ 2,366,988.99
2015	2,077,500.00	0.04	113,198.79	1,459,332.81	1,638,309.55
2014	1,200,000.00	278.60	21,266.69	2,014,577.94	906,943.53

**New Jersey Unemployment Compensation Insurance** - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "benefit reimbursement method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, interest earnings, claims paid to the State for benefits paid, and the ending balance of the City's trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>City Contributions</u>	<u>Interest Earnings</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2016	\$ 300,000.00		\$ 194,599.29	\$ 1,101,969.70
2015	300,000.00		207,435.84	996,568.99
2014	1,400,000.00	\$ 39.23	850,867.11	904,004.83

At June 30, 2016, it is estimated that unreimbursed claims exist in the amount of \$14,675.57.

**Note 15: RISK MANAGEMENT (CONT'D)**

**Workers' Compensation Insurance** - The City has adopted a plan of self-insurance for workers' compensation and has established the reserve for workers' compensation in the trust - other funds to account for and finance its related uninsured risks of loss, with no maximum per any one accident. Qual-Lynx acts as the third party administrator of the plan.

The following is a summary of City contributions, interest earnings, refunds, claims paid, and the ending balance of the City's trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>City Contributions</u>	<u>Interest Earnings</u>	<u>Refunds</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2016	\$ 2,300,000.00		\$ 130,864.72	\$ 1,783,664.65	\$ 1,333,688.99
2015	2,300,000.00		137,348.53	2,109,212.90	686,488.92
2014	2,684,000.00	\$ 29.56	137,419.98	2,884,434.32	358,353.29

At June 30, 2016, the balance of estimated workers' compensation payables was \$2,496,496.58, as provided by the third party administrator. None of the pending claims have been recorded as accounts payable and charged to the reserve for workers' compensation as of June 30, 2016. Any additional funding required for claims in excess of the aforementioned reserve will be paid and charged to future budgets.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

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

**Note 17: CONCENTRATIONS**

The City depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: RESTATEMENT OF PRIOR FISCAL YEAR**

The fiscal year ended June 30, 2015 financial statements of the current fund and general fixed asset group of accounts have been restated. The balances restated below resulted from incomplete subsidiary listings.

**CURRENT FUND**

***Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis***

<b><u>Account</u></b>	<b><u>June 30, 2015</u></b>	<b>(Restated) <u>June 30, 2015</u></b>
Property Acquired for Taxes (at Assessed Valuation)	\$ 2,160,710.00	\$ 50,714,900.00
Total Regular Fund Assets	102,573,700.20	151,127,890.20
Total Assets	121,544,106.33	170,098,296.33
Reserve for Receivable and Other Assets	69,485,707.51	118,039,897.51
Total Regular Fund Liabilities, Reserves and Fund Balance	102,573,700.20	151,127,890.20
Total Liabilities, Reserves and Fund Balance	121,544,106.33	170,098,296.33

**GENERAL FIXED ASSET GROUP OF ACCOUNTS**

***Statement of General Fixed Asset Group of Accounts - Regulatory Basis***

<b><u>Account</u></b>	<b><u>June 30, 2015</u></b>	<b>(Restated) <u>June 30, 2015</u></b>
Land and Buildings	\$ 115,804,836.00	\$ 120,718,036.00
Total General Fixed Assets	130,550,779.97	135,463,999.97
Investment in General Fixed Assets	130,550,779.97	135,463,999.97

**Note 19: SUBSEQUENT EVENTS**

**Tax Appeals** - As of June 30, 2016, several tax appeal were on file against the City. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the City, the estimated impact of the tax refunds could be material.

**Authorization of Debt** - Subsequent to June 30, the City authorized additional bonds and notes as follows:

<b><u>Purpose</u></b>	<b><u>Adoption</u></b>	<b><u>Authorization</u></b>
<b>General Improvements:</b>		
Demolition of Unsafe Buildings and Structures	11/10/16	\$ 3,000,000.00

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**APPENDIX C**  
**FORM OF BOND COUNSEL OPINION**

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*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law*

\_\_\_\_\_, 2017

Mayor and Council of the City of Camden,  
In the County of Camden, New Jersey

Re: City of Camden, in the County of Camden, New Jersey  
\$12,530,000 General Obligation Bonds, Series 2017

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Camden, in the County of Camden, New Jersey (the “City”), of its \$12,530,000 aggregate principal amount of General Obligation Bonds, Series 2017 (the “Bonds”). The Bonds are general obligations of the City and the full faith, credit and taxing power of the City are available to pay the principal of and the interest on the Bonds. The Bonds are issued in registered form and are dated April 11, 2017. The Bonds shall bear interest from April 11, 2017 and such interest will be payable semiannually commencing October 1, 2017 and on each April 1 and October 1 in each year until maturity at the rates per annum set forth below. The Bonds mature on April 1 in each of the years and in the principal amounts as follows:

Year	Principal Amount	Interest Rate
2018	\$ 750,000	3.000%
2019	900,000	5.000%
2020	930,000	5.000%
2021	950,000	5.000%
2022	1,500,000	5.000%
2023	1,500,000	5.000%
2024	1,500,000	3.000%
2025	1,500,000	3.000%
2026	1,500,000	3.125%
2027	1,500,000	3.250%

The Bonds are not subject to redemption prior to maturity.

The Bonds will be initially issued in fully registered book-entry form only in the form of one certificate in the aggregate principal amount of each maturity of the Bonds, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company (DTC), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants and transfers of such interests among such participants. Such participants shall be responsible of maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the “Local Bond Law”), Chapter 38 of the Laws of 1976 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the “Municipal Qualified Bond Act”), and by the following bond ordinances of the City: (i) Ordinance No. 4877, Ordinance No. 4888, and Ordinance No. 4889, all finally adopted by the Municipal Council of the City on March 10, 2015 (the “2015 Ordinances”); (ii) Ordinance No. 4965, finally adopted by the Municipal Council of the City on July 12, 2016 (the “2016 Ordinance”); and (iii) Ordinance No. MC-5012, finally adopted by the Municipal Council of the City on November 10, 2016, amending the 2016 Ordinance (the “Amending Ordinance” and collectively with the 2015 Ordinances and the 2016 Ordinance, the “Ordinances”). The sale of the Bonds was authorized by a resolution duly adopted by the Municipal Council of the City on March 22, 2017 (the “Sale Resolution”). The Bonds are issued for the purpose of refunding, on a current basis, on April 12, 2017, \$7,530,000 aggregate principal amount of bond anticipation notes issued by the City to finance the purposes authorized by the 2015 Ordinances, to provide \$5,000,000 in new money funds to finance the purposes authorized by the 2016 Ordinance and the Amending Ordinance and to pay costs in connection the issuance of the Bonds. The Bonds are entitled to the benefits of the Municipal Qualified Bond Act.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including: (a) certified copies of the Ordinances and the Sale Resolution; (b) such matters of law, including *inter alia*, the Local Bond Law, the Municipal Qualified Bond Act, and the Internal Revenue Code of 1986, as amended (the “Code”); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued, executed and sold by the City; the Ordinances and the Sale Resolution have been duly authorized and adopted by the City; and the Bonds, the Ordinances and the Sale Resolution are each legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

2. The power and obligation of the City to pay principal of and interest on the Bonds is unlimited, and unless paid from other sources, the City shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the City for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

3. The City has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Code. Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In our opinion, assuming continuing compliance by the City with its covenants, under current law, interest on the Bonds is not includable in gross income for federal income purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in “adjusted current earnings”.

4. Interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase “enforceable in accordance with their respective terms” shall not mean that specific performance would necessarily be available as a remedy in every situation.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

We express no opinion herein as to the adequacy or accuracy of any official statement or other offering materials pertaining to the offering of the Bonds.

DECOTIIS, FITZPATRICK, COLE & GIBLIN, LLP

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**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed by and between the City of Camden, in the County of Camden, New Jersey (the "Issuer") and Phoenix Advisors, LLC acting in the capacity of Dissemination Agent, on this \_\_\_\_ day of April, 2017, in connection with the issuance by the Issuer of \$12,530,000 principal amount of General Obligation Bonds, Series 2017 (the "Bonds"). The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in compliance with the provisions of with S.E.C. Rule 15c2-12(b)(5) (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") 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.

*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 Issuer's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Issuer 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 Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"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.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“State” shall mean the State of New Jersey.

*Section 3. Provision of Annual Reports.*

(a) Not later than two hundred and seventy (270) days after the end of the Issuer’s fiscal year, beginning with the fiscal year ending June 30, 2017, the Issuer shall, or shall cause the Dissemination Agent to, provide to the MSRB, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information which has been made available to the public on the MSRB’s website or filed with the SEC; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent who shall, no later than ten (10) Business Days after receiving the Annual Report from the Issuer, submit the Annual Report received by it to the National Repository. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer, or the Dissemination Agent on behalf of the Issuer, shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

*Section 4. Content of Annual Reports.* Annual Report shall mean: (i) the Issuer’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 Issuer 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 Issuer are included in the Annual Report; and (ii) the general financial information and operating data of the Issuer 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) Pursuant to the provisions of this Section 5, the Issuer will provide in writing, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the Dissemination Agent pursuant to subsection (c) of this Section 5, notice of any of the following events with respect to the Bonds (each, a “Listed Event”):

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 rights of the Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(b) In determining the materiality of a Listed Event specified in clauses (2), (7), (8), (10), (13) or (14) of subsection (a) of this Section 5, the Issuer may, but shall not be required to, rely conclusively on an opinion of bond counsel.

(c) If the Dissemination Agent has been instructed by the Issuer 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 a Dissemination Agent to the Issuer.

*Section 6. Termination of Reporting Obligation.* The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or when the Issuer 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 Issuer 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 bond 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 Issuer 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 Issuer 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 notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer 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, the Issuer shall have no 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 Issuer 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 Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer 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 Issuer:

City of Camden, County of Camden, New Jersey  
520 Market Street  
City Hall, Room 213  
Camden, New Jersey 08101  
Attention: Glynn Jones, Finance Director/Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors, LLC  
4 West Park Street  
Bordentown, New Jersey 08505  
Attention: David B. Thompson, Chief Executive Officer

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 11 for the giving of notice.

*Section 11. Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent and the Bondholders and Beneficial Owners from time to time of the Bonds, and nothing herein 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 Issuer 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 Issuer 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. SIGNATURE PAGE TO FOLLOW.]

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

CITY OF CAMDEN, IN THE COUNTY OF  
CAMDEN, NEW JERSEY

By: \_\_\_\_\_  
GLYNN JONES,  
Finance Director/Chief Financial Officer

PHOENIX ADVISORS, LLC

By: \_\_\_\_\_  
DAVID B. THOMPSON,  
Chief Executive Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Camden, in the County of Camden, New Jersey  
Name of Bond Issue: \$12,530,000 principal amount of General Obligation Bonds,  
Series 2017  
Dated Date: April 11, 2017

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement dated April 11, 2017. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_, \_\_\_\_\_.

Dated: \_\_\_\_\_

CITY OF CAMDEN, IN THE COUNTY  
OF CAMDEN, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPENDIX E**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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**BAM**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_  
Member Surplus Contribution: \$ \_\_\_\_\_  
Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIAL MEMBER

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor  
200 Liberty Street  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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