

**OFFICIAL STATEMENT DATED FEBRUARY 26, 2020**

**NEW ISSUE**  
**BOOK-ENTRY ONLY**

See “RATINGS” herein

*In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Borough of Collingswood, in the County of Camden, New Jersey (“Borough”) with certain tax covenants described herein, under existing law, interest on the Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals. In addition, interest on the Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on “excess net passive income” imposed on S corporations. Interest on the Bonds (as herein defined) and any gain from the sale thereof are not includable in the gross income of the owners thereof under the New Jersey Gross Income Tax Act as presently executed and construed. See “TAX MATTERS” herein.*

**\$19,752,000**  
**BOROUGH OF COLLINGSWOOD**  
**IN THE COUNTY OF CAMDEN, NEW JERSEY**  
**GENERAL OBLIGATION BONDS, SERIES 2020**  
**Consisting of:**  
**\$13,152,000 General Improvement Bonds**  
**\$3,800,000 Water Utility Bonds**  
**\$2,800,000 Sewer Utility Bonds**  
**(Callable)**

**Dated:** Date of Delivery

**Due:** March 1, as shown on the inside front cover

The \$19,752,000 aggregate principal amount of General Obligation Bonds, Series 2020, of the Borough of Collingswood, in the County of Camden, State of New Jersey (“Borough”), consisting of \$13,152,000 General Improvement Bonds (“General Improvement Bonds”), \$3,800,000 Water Utility Bonds (“Water Utility Bonds”) and \$2,800,000 Sewer Utility Bonds (“Sewer Utility Bonds” and together with the General Improvement Bonds and the Water Utility Bonds, the “Bonds”) are general obligations of the Borough and the full faith and credit and unlimited ad valorem taxing power of the Borough are pledged to the payment of the principal thereof and the interest thereon.

The Bonds will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof except that any amount of Bonds maturing in any one year in excess of the largest principal amount thereof equaling a multiple of \$5,000 will be in denominations of \$1,000 or any integral multiple thereof.

The Bonds shall bear interest from the date of delivery thereof, as shown above, payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2021, at such rates of interest, as shown on the inside front cover page hereof until maturity or earlier redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Borough or its hereafter designated paying agent, if any. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Borough to the registered owner thereof as of the Record Dates (as defined herein).

While DTC is acting as securities depository for the Bonds, the principal of and interest on the Bonds will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Bonds.

The Bonds are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (“Local Bond Law”); (ii) various bond ordinances duly adopted by the Board of Commissioners of the Borough, as further described herein; (iii) a resolution duly adopted by the Board of Commissioners of the Borough on February 3, 2020; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on February 26, 2020.

The Bonds are being issued to: (i) refund, on a current basis, a portion of the Borough’s \$12,900,000 bond anticipation notes, dated March 19, 2019 and maturing March 18, 2020; (ii) permanently finance the cost of various capital improvements for which obligations have been authorized, but not yet issued; and (iii) pay the costs associated with the issuance of the Bonds.

The Bonds are subject to optional redemption prior to their stated maturities. See “DESCRIPTION OF THE BONDS” under the subheading entitled “Optional Redemption”.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**



The Bonds are not debt or obligations, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Borough.

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Attorney Joseph M. Nardi, III, Esq., of the law firm of Brown & Connery, LLP, Westmont, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Borough in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about March 12, 2020.

**CITIGROUP**

**\$19,752,000 GENERAL OBLIGATION BONDS**

**Consisting of:**

**\$13,152,000 General Improvement Bonds**

**\$3,800,000 Water Utility Bonds**

**\$2,800,000 Sewer Utility Bonds**

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

<u>Year</u>	<u>General Improvement Amount</u>	<u>Water Utility Amount</u>	<u>Sewer Utility Amount</u>	<u>Total Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2021	\$367,000	\$120,000	\$90,000	\$577,000	1.250%	0.750%	194756RT1
2022	365,000	120,000	90,000	575,000	1.500	0.800	194756RU8
2023	515,000	120,000	90,000	725,000	2.000	0.950	194756RV6
2024	415,000	120,000	90,000	625,000	2.000	1.000	194756RW4
2025	715,000	120,000	90,000	925,000	2.000	1.050	194756RX2
2026	715,000	120,000	90,000	925,000	2.000	1.100	194756RY0
2027	715,000	120,000	90,000	925,000	2.000	1.200	194756RZ7
2028	715,000	120,000	90,000	925,000	2.000	1.300	194756SA1
2029	720,000	240,000	180,000	1,140,000	2.000	1.450	194756SB9
2030	720,000	240,000	180,000	1,140,000	2.000	1.600	194756SC7
2031	720,000	240,000	180,000	1,140,000	2.000	1.650	194756SD5
2032	720,000	240,000	180,000	1,140,000	2.000	1.700	194756SE3
2033	720,000	240,000	180,000	1,140,000	2.000	1.800	194756SF0
2034	720,000	240,000	180,000	1,140,000	2.000	1.900	194756SG8
2035	720,000	240,000	180,000	1,140,000	2.000	2.000	194756SH6
2036	720,000	240,000	180,000	1,140,000	2.000	2.030	194756SJ2
2037	720,000	240,000	180,000	1,140,000	2.000	2.050	194756SK9
2038	720,000	240,000	180,000	1,140,000	2.000	2.100	194756SL7
2039	720,000	240,000	180,000	1,140,000	2.125	2.150	194756SM5
2040	710,000	200,000	100,000	1,010,000	2.125	2.200	194756SN3

\* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. 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 Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a 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.

**BOROUGH OF COLLINGSWOOD**  
County of Camden, New Jersey  
678 Haddon Avenue  
Collingswood, New Jersey 08108-3704  
(856) 854-0720

**BOARD OF COMMISSIONERS**

M. James Maley, Jr., Mayor  
Joan Leonard, Commissioner  
Robert Lewandowski, Commissioner

**BOROUGH ADMINISTRATOR**

Keith Hastings

**CHIEF FINANCIAL OFFICER**

Elizabeth Pigliacelli

**TAX COLLECTOR**

Kathy McCarthy

**BOROUGH CLERK**

K. Holly Mannel

**BOROUGH ATTORNEY**

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

**AUDITOR**

Petroni & Associates, LLC  
Glassboro, New Jersey

**BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors, LLC  
Bordentown, New Jersey

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

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

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

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

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

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

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

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**OFFICIAL STATEMENT  
RELATING TO**

**\$19,752,000  
BOROUGH OF COLLINGSWOOD  
County of Camden, New Jersey  
GENERAL OBLIGATION BONDS, SERIES 2020  
Consisting of:  
\$13,152,000 General Improvement Bonds  
\$3,800,00 Water Utility Bonds  
\$2,800,000 Sewer Utility Bonds  
(Callable)**

**INTRODUCTION**

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Borough of Collingswood, County of Camden, New Jersey ("Borough") of its \$19,752,000 aggregate principal amount of General Obligation Bonds, Series 2020 ("Bonds"). The Bonds consist of: (i) \$13,152,000 General Improvement Bonds; (ii) \$3,800,000 Water Utility Bonds; and (iii) \$2,800,000 Sewer Utility Bonds.

**AUTHORIZATION FOR THE BONDS**

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 1564; 1590; 1607; 1608, as amended by 1646; 1621; 1655; and 1656, each duly and finally adopted by the Board of Commissioners of the Borough and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board of Commissioners of the Borough on February 3, 2020; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Borough on February 26, 2020.

**PURPOSE OF THE BONDS**

The Bonds are being issued to: (i) refund, on a current basis, a portion of the Borough's \$12,900,000 bond anticipation notes, dated March 19, 2019 and maturing March 18, 2020 ("Prior Notes"); (ii) permanently finance the cost of various capital improvements for which obligations have been authorized, but not yet issued; and (iii) pay the costs associated with the issuance of the Bonds.

The improvements to be permanently financed with the proceeds of the Bonds include the following:

### General Improvement Bonds

<b>Ordinance Number</b>	<b>Improvements</b>	<b>Bonds/Notes Authorized</b>	<b>Prior Notes Outstanding</b>	<b>Bonds to be Issued</b>
1564	Renovations/Repairs to Roberts Pool Park	\$1,615,000	\$1,355,000	\$1,355,000
1589	Acquisition of Various Equipment; Completion of Various Improvements	808,925	323,000	0
1605	Abandoned Property Redevelopment	750,000	300,000	0
1607	Roadway and Recreational Improvements	1,168,500	922,000	922,000
1621	Acquisition of and Improvements to Certain Real Property	1,000,000	900,000	900,000
1656 (7A)	Construction of Emergency Response Building	9,975,000	4,000,000	9,975,000
<b>Total:</b>		<b>\$15,817,425</b>	<b>\$7,800,000</b>	<b>\$13,152,000</b>

### Water Utility Bonds

<b>Ordinance Number</b>	<b>Improvements</b>	<b>Bonds/Notes Authorized</b>	<b>Prior Notes Outstanding</b>	<b>Bonds to be Issued</b>
1590	Various Water Utility Improvements	\$1,400,000	\$1,200,000	\$1,200,000
1608/1646	Supplemental Funding for Water Utility Improvements	2,300,000	1,900,000	1,900,000
1656 (7C)	Water Utility Improvements in Connection to Emergency Response Building	700,000	0	700,000
<b>Total:</b>		<b>\$4,400,000</b>	<b>\$3,100,000</b>	<b>\$3,800,000</b>

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## Sewer Utility Bonds

Ordinance Number	Improvements	Bonds/Notes Authorized	Prior Notes Outstanding	Bonds to be Issued
1656 (7B)	Sewer Utility Improvements in Connection to Emergency Response Building	\$800,000	\$0	\$800,000
1655	Construction of Emergency Response Building (Sewer Utility Portion)	2,900,000	2,000,000	2,000,000
<b>Total:</b>		<b>\$3,700,000</b>	<b>\$2,000,000</b>	<b>\$2,800,000</b>

### DESCRIPTION OF THE BONDS

#### General

The Bonds will be issued in the respective aggregate principal amounts as shown on the front cover page hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on March 1 and September 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing March 1, 2021, in each year until maturity or earlier redemption.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "BOOK-ENTRY-ONLY SYSTEM" below. The Bonds will mature on March 1 in the years and in the principal amounts all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Borough or its hereafter designated paying agent, if any.

Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Borough for such purpose at the offices of Borough or its hereafter designated paying agent, if any, as of the close of business on the fifteenth (15<sup>th</sup>) day of the calendar month immediately preceding an Interest Payment Date (each a "Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the Borough or its hereafter designated paying agent, if any.

## **Redemption Provisions**

The Bonds maturing on and after March 1, 2028 are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on or after March 1, 2027, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

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

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds ("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.

### **Assured Guaranty Municipal Corp.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of

AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### *Current Financial Strength Ratings*

On December 19, 2019, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On November 7, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

### *Capitalization of AGM*

At December 31, 2019:

- The policyholders' surplus of AGM was approximately \$2,691 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$986 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,027 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE

were determined in accordance with accounting principles generally accepted in the United States of America.

#### *Incorporation of Certain Documents by Reference*

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "BOND INSURANCE".

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Borough or its hereafter designated paying agent, if any; (ii) the transfer of any Bonds may be registered on the books maintained by the Borough or its hereafter designated paying agent, if any, for such purposes only upon the surrender thereof to the Borough, or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Borough, or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of Bonds, the Borough or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

## **SECURITY FOR THE BONDS**

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

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

## **GENERAL INFORMATION REGARDING THE BOROUGH**

### **General**

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

### **Financial**

The financial statements of the Borough, included in Appendix B, have been examined by Petroni & Associates LLC, independent auditor for the year ended December 31, 2018, as stated in its report appearing therein.

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

### **Local Bond Law**

**General** - The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be

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

**Debt Limits** - The authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.50%) of its equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Borough, including the issuance of the Bonds, will not exceed its three and one-half percent (3.50%) debt limit.

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

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

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

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

## **Local Fiscal Affairs Law**

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



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

An independent examination of the Borough's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2018 is on file with the Borough Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

### **Local Budget Law**

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

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

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

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

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

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2.00%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2.00%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.00%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.00% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A.* 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2.00%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2.00%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

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

**Current Year Tax Levy and Reserve for Uncollected Taxes** - The current year's taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be

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

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

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

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

### **Deferral of Current Expenses**

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

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

### **Budget Transfers**

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

### **Capital Budget**

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project.

Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

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

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

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

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

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

### **The Municipal Finance Commission**

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

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

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

Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

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

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

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

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

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

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

## **TAXATION**

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

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

Upon the filing of certified adopted budgets by the Borough, the school district within the Borough and the County of Camden ("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 the State for various special services rendered to the properties located within the special district.

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Borough are periodically assigned to the Borough Attorney for "in rem foreclosures" in order to acquire title to these properties.

### **Tax Appeals**

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

## **TAX MATTERS**

### **Federal**

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

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

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

In rendering this opinion, Bond Counsel has assumed continuing compliance by the Borough that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Borough to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of

issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Bonds.

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

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

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

### **New Jersey**

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

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

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds.

**PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX**

**LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.**

## **LITIGATION**

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

## **RATINGS**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency"), has assigned a rating of "AA-" to the Bonds. The Rating Agency is expected to assign ratings of "AA" to the Bonds based upon the issuance of the Policy from AGM at the time of delivery of the Bonds.

The ratings reflect only the views of the Rating Agency. Any desired explanation of the significance of such ratings should be obtained directly from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Bonds and the Borough. There can be no assurance that the ratings will be maintained for any given period of time or that they 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.

## **UNDERWRITING**

The Bonds have been purchased from the Borough at a public sale by Citigroup Global Markets Inc., as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated February 26, 2020. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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



public offering yield set forth on the front cover page of this Official Statement, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

### **LEGALITY FOR INVESTMENT**

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

### **MUNICIPAL ADVISOR**

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

### **NO DEFAULT**

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

### **CONTINUING DISCLOSURE**

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"), the Borough has undertaken to file notice of certain enumerated events, pursuant to a Continuing Disclosure Agreement, in the form attached as Appendix "D" to this Official Statement.

The Borough previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, annual budgeted information for the fiscal year ending December 31, 2016. Additionally, the Borough acknowledges that it previously failed to file a material event notice and a late filing notice in connection with the timely filing of annual budgeted information. Such notice of material event and late filing have since been filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access. In order to ensure timely compliance with its continuing disclosure requirements on an ongoing basis, the Borough appointed Phoenix Advisors, LLC in March of 2014 to serve as continuing disclosure agent.

## LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Bond Counsel. Such opinion will be printed on or accompany the Bonds and provide, *inter alia*, that the Bonds are valid and binding obligations of the Borough, and the Borough has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Borough without limitation as to rate or amount for the payment of the Bonds and interest thereon. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Borough by the Borough Attorney.

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

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

## ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Elizabeth Pigliacelli, the Borough Chief Financial Officer, Borough of Collingswood, at (856) 854-0720, or to the Borough's Municipal Advisor, Phoenix Advisors, LLC, at (609) 291-0130.

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

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

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

**BOROUGH OF COLLINGSWOOD, NEW JERSEY**

**By: /s/ Elizabeth Pigliacelli**

**Elizabeth Pigliacelli, Chief Financial Officer**

**Dated:** February 26, 2020

**APPENDIX A**

**CERTAIN ECONOMIC, DEMOGRAPHIC AND OPERATING DATA REGARDING  
THE BOROUGH**

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## **INFORMATION REGARDING THE BOROUGH**

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

### **General Information**

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

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

### **Hospitals**

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

### **Transportation**

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

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

### **Water and Sewer Service**

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

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

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

### **Pension and Retirement Systems**

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits ("Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

### **Primary and Secondary Education**

The Board of Education of the Borough of Collingswood ("School District") is a Type II school district that is coterminous with the borders of the Borough. The School District provides a full range of educational services appropriate to pre-K through grade twelve (12).

The Board is composed of eleven (11) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis, along with one (1) representative from Oaklyn Borough and one (1) representative from Woodlynne Borough. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The School District has a total of seven (7) schools: five (5) elementary schools, one (1) middle school and one (1) high school.

### **Higher Education Facilities**

#### *Rutgers University-Camden Campus*

Rutgers University-Camden, is a comprehensive, publicly-supported, coeducational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden.

#### *Camden County College*

Fully accredited by the Middle States Association of Colleges and Secondary Schools, Camden County College ("College") is a comprehensive publicly supported, co-educational two-year institution developed under the State Department of Higher Education. It is funded in part by the County Board of Chosen Freeholders who appoint an eleven (11) member Board of Trustees. The College has three distinct campuses in Blackwood, Camden and Cherry Hill – along with its satellite locations in Lakeland, Sicklerville and elsewhere throughout the County.

#### *Camden County Technical Schools*

From a vocational school that opened with 400 students in 12 trade areas in 1928, Camden County Technical Schools has grown to be one of the largest and most comprehensive technical schools in the nation. The district today encompasses a full range of day and evening programs at campuses in Pennsauken and Gloucester Township. Beginning in 2012, the adult programs were operated by Camden County College as part of the Camden County shared services agreement.

## **Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough</u></b>				
2018	7,871	7,601	270	3.4%
2017	7,963	7,664	299	3.8%
2016	7,944	7,615	329	4.1%
2015	7,904	7,526	378	4.8%
2014	7,856	7,384	472	6.0%
<b><u>County</u></b>				
2018	249,945	238,357	11,588	4.6%
2017	253,217	240,342	12,875	5.1%
2016	252,713	238,823	13,890	5.5%
2015	252,576	236,249	16,327	6.5%
2014	251,710	232,309	19,401	7.7%
<b><u>State</u></b>				
2018	4,422,900	4,239,600	183,400	4.1%
2017	4,518,838	4,309,708	209,123	4.6%
2016	4,530,800	4,305,515	225,262	5.0%
2015	4,537,231	4,274,685	262,531	5.8%
2014	4,527,177	4,221,277	305,900	6.8%

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

## **Income (as of 2017)**

	<b><u>Borough</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$64,885	\$65,037	\$76,475
Median Family Income	93,880	82,357	94,337
Per Capita Income	41,360	32,931	39,069

Source: US Bureau of the Census, 2017 American Community Survey 5-Year Estimates



**Population**

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

<u>Year</u>	<u>Borough</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2018 Estimate	13,916	-0.07%	507,078	-1.28%	8,908,520	1.33%
2010	13,926	-2.79	513,657	0.93	8,791,894	4.49
2000	14,326	-6.30	508,932	1.21	8,414,350	8.85
1990	15,289	-3.47	502,824	6.61	7,730,188	4.96
1980	15,838	-9.09	471,650	3.37	7,365,001	2.75

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

**Largest Taxpayers**

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

<u>Taxpayers</u>	<u>2019</u>	<u>% of Total</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
Cooper River Manor Investors	\$9,818,200	0.92%
Collingswood Assoc.	3,624,100	0.34%
Parkview Urban Renewal LLC	3,384,000	0.32%
Flaum Prop. Co.	3,325,000	0.31%
ACE Partnership	3,300,000	0.31%
900 Haddon Avenue LLC	3,057,400	0.29%
Crestwood Associates	2,751,000	0.26%
Aldi, Inc.	2,300,000	0.22%
New Jersey Bell Telephone	1,990,000	0.19%
Inter Brotherhood Teamsters	<u>1,977,400</u>	<u>0.19%</u>
<b>Total</b>	<b><u>\$35,527,100</u></b>	<b><u>3.33%</u></b>

Source: School District CAFR & Municipal Tax Assessor

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2018	\$37,328,412	\$37,309,387	99.95%
2017	36,805,760	36,703,674	99.72%
2016	35,805,966	35,703,497	99.71%
2015	34,763,390	34,657,340	99.69%
2014	33,962,202	33,817,374	99.57%

Source: Annual Audit Reports of the Borough

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

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2018	\$95,986	\$19,025	\$115,011	0.31%
2017	86,983	11,805	98,788	0.27%
2016	60,778	13,399	74,178	0.21%
2015	45,848	10,689	56,537	0.16%
2014	45,954	8,163	54,117	0.16%

Source: Annual Audit Reports of the Borough

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

<b><u>Year</u></b>	<b><u>Amount</u></b>
2018	\$79,975
2017	79,975
2016	79,975
2015	79,975
2014	79,975

Source: Annual Audit Reports of the Borough

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

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

<b><u>Year</u></b>	<b><u>Municipal</u></b>		<b><u>County</u></b>		<b><u>Local</u></b>	<b><u>Special</u></b>	<b><u>Total</u></b>
	<b><u>Municipal</u></b>	<b><u>Library</u></b>	<b><u>County</u></b>	<b><u>Open Space</u></b>	<b><u>School</u></b>	<b><u>Improvement</u></b>	
2019	\$1.024	\$0.034	\$0.828	\$0.000	\$1.622	\$0.000	\$3.508
2018	1.008	0.033	0.822	0.020	1.591	0.185	3.659
2017	0.993	0.033	0.822	0.021	1.559	0.185	3.613
2016	0.981	0.033	0.799	0.020	1.506	0.181	3.520
2015	0.971	0.031	0.769	0.020	1.449	0.179	3.419

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

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2019	\$1,066,855,200	\$1,091,635,322	97.73%	\$0	\$1,091,635,322
2018	1,066,441,700	1,080,269,145	98.72	0	1,080,269,145
2017	1,064,292,500	1,059,746,834	100.29	0	1,059,746,834
2016	1,062,114,500	1,062,964,872	99.92	0	1,062,964,872
2015	1,064,532,900	1,046,841,282	105.32	0	1,046,841,282

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

## **Classification of Ratables**

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

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2019	\$7,343,400	\$914,915,200	\$0	\$106,416,400	\$0	\$38,180,200	\$1,066,855,200
2018	7,516,700	913,710,400	0	107,034,400	0	38,180,200	1,066,441,700
2017	8,048,800	911,172,900	0	107,323,600	0	37,747,200	1,064,292,500
2016	7,216,400	909,615,600	0	107,548,800	0	37,733,700	1,062,114,500
2015	7,696,400	909,569,100	0	109,533,700	0	37,733,700	1,064,532,900

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

## **Financial Operations**

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

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

<b><u>Anticipated Revenues</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Fund Balance Utilized	\$450,302	\$382,746	\$893,431	\$2,430,859	\$1,215,147
Miscellaneous Revenues	4,817,577	5,184,316	4,418,621	5,053,259	5,355,050
Receipts from Delinquent Taxes	15,000	15,000	10,000	15,000	20,000
Amount to be Raised by Taxation	<u>10,675,148</u>	<u>10,772,800</u>	<u>10,911,900</u>	<u>11,105,775</u>	<u>11,287,000</u>
Total Revenue:	<u>\$15,958,027</u>	<u>\$16,354,862</u>	<u>\$16,233,952</u>	<u>\$18,604,893</u>	<u>\$17,877,197</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$11,100,993	\$11,273,030	\$11,977,315	\$12,157,643	\$12,004,595
Operations (Excluded from CAPS)	638,997	541,150	548,839	656,796	769,705
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Transferred to Board of Education	222,500	222,500	222,500	222,500	222,500
Capital Improvement Fund	375,000	300,000	300,000	1,925,000	675,000
Municipal Debt Service	3,470,831	3,908,480	3,079,660	3,525,616	4,085,949
Reserve for Uncollected Taxes	<u>149,705</u>	<u>109,702</u>	<u>105,638</u>	<u>117,337</u>	<u>119,449</u>
Total Appropriations:	<u>\$15,958,027</u>	<u>\$16,354,862</u>	<u>\$16,233,952</u>	<u>\$18,604,893</u>	<u>\$17,877,197</u>

Source: Annual Adopted Budgets of the Borough

## **Fund Balance**

### **Current Fund**

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

	<b><u>Fund Balance - Current Fund</u></b>	
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2018	\$2,800,493	\$1,215,147
2017	3,863,552	2,430,859
2016	3,657,286	893,431
2015	2,328,613	382,746
2014	1,810,879	450,302

Source: Annual Audit Reports of the Borough

### **Water Utility Fund**

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

	<b><u>Fund Balance - Water Utility Operating Fund</u></b>	
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2018	\$507,142	\$231,966
2017	786,481	557,018
2016	630,365	62,853
2015	404,834	65,681
2014	56,766	24,309

Source: Annual Audit Reports of the Borough

Sewer Utility Fund

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

**Fund Balance -Sewer Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2018	\$678,021	\$84,326
2017	703,471	148,649
2016	632,553	79,832
2015	393,166	36,798
2014	249,831	92,000

Source: Annual Audit Reports of the Borough

Parking Utility Fund

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

**Fund Balance -Parking Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2018	\$197,824	\$190,000
2017	217,714	80,500
2016	257,525	88,000
2015	154,950	62,722
2014	218,150	63,200

Source: Annual Audit Reports of the Borough

**Borough Indebtedness as of December 31, 2019**

**General Purpose Debt**

Serial Bonds	\$16,560,000
Bond Anticipation Notes	7,800,000
Bonds and Notes Authorized but Not Issued	8,825,000
Other Bonds, Notes and Loans	0
Total:	<u>\$33,185,000</u>

**Local School District Debt**

Serial Bonds	\$13,115,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$13,115,000</u>

**Self-Liquidating Debt**

Serial Bonds	\$1,360,900
Bond Anticipation Notes	3,100,000
Bonds and Notes Authorized but Not Issued	1,200,000
Other Bonds, Notes and Loans	925,441
Total:	<u>\$6,586,341</u>

**TOTAL GROSS DEBT**

**\$52,886,341**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	13,115,000
Self-Liquidating Debt	6,586,341
Total:	<u>\$19,701,341</u>

**TOTAL NET DEBT**

**\$33,185,000**

Source: Annual Debt Statement of the Borough

**Overlapping Debt (as of December 31, 2019)<sup>1</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share</u></b>
Local School District	\$13,115,000	100.00%	\$13,115,000
County (2018)	678,256,817	2.79%	<u>18,896,877</u>
Net Indirect Debt			\$32,011,877
Net Direct Debt			<u>33,185,000</u>
Total Net Direct and Indirect Debt			<b><u>\$65,196,877</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2016, 2017, 2018)	\$1,067,660,284
Permitted Debt Limitation (3 1/2%)	37,368,110
Less: Net Debt	<u>23,653,000</u>
Remaining Borrowing Power	<u>\$13,715,110</u>
Percentage of Net Debt to Average Equalized Valuation	2.215%
Gross Debt Per Capita based on 2010 population of 13,926	\$3,119
Net Debt Per Capita based on 2010 population of 13,926	\$1,698

Source: Annual Debt Statement of the Borough

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



**APPENDIX B**  
**FINANCIAL STATEMENTS OF THE BOROUGH**

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# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
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MEMBER: AMERICAN INSTITUTE OF  
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Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Collingswood, as of December 31, 2018 and 2017, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion, on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Collingswood as of December 31, 2018 and 2017, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2018 and 2017, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2018, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Collingswood's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a

required part of the basic financial statements. The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2019, on our consideration of the Borough of Collingswood’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Collingswood’s internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

August 2, 2019

## **CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Regular Fund:			
Cash - Treasurer	A-4	\$ 4,264,501.97	\$ 6,175,364.53
Change Fund		275.00	275.00
		<u>4,264,776.97</u>	<u>6,175,639.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	19,025.02	11,804.74
Tax Title Liens Receivable	A-7	95,986.23	86,983.02
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	15,368.32	11,658.48
Clean-up Charges Receivable		15,551.21	15,151.21
Mortgage Receivable			1,700.00
Due from Animal Control Trust Fund	B	1.80	0.15
Due from Tax Sale Trust Fund	B	196.30	168.30
Due from Trust Other			206.08
Due from General Capital Fund			3,438.74
Due from Sewer Operating Fund	E	643.94	
		<u>226,747.82</u>	<u>211,085.72</u>
		<u>4,491,524.79</u>	<u>6,386,725.25</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	5,276.61	32,498.63
Grants Receivable	A-5	861,729.56	768,165.04
		<u>867,006.17</u>	<u>800,663.67</u>
		<u>\$ 5,358,530.96</u>	<u>\$ 7,187,388.92</u>

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

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 1,088,657.57	\$ 884,737.38
Encumbrances Payable	A-11	40,466.82	129,357.29
Reserve for Maintenance of Free Public Library			5.08
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-12	8,273.38	7,000.00
Construction DCA		2,733.00	3,339.00
Marriage License Fees/Burial Permits		628.00	503.00
Prepaid Taxes		219,861.00	1,199,587.19
Tax Overpayments		53,870.14	38,068.60
Due County for Added & Omitted Taxes	A-6	13,763.75	26,570.78
Special Improvement District Tax Payable		395.95	10,555.11
Reserve for Security Deposits		1,700.00	1,850.00
Reserve for Bid Guarantee		750.00	
Due Trust Other	B	107.55	
Due Water Operating Fund			2,644.82
Due Sewer Operating Fund			938.74
Due Payroll Trust			5,680.05
Reserve for Revenue - Unappropriated:			
JIF Safety Awards		1,250.00	1,250.00
		<u>1,432,457.16</u>	<u>2,312,087.04</u>
Reserve for Receivables		226,747.82	211,085.72
Fund Balance	A-1	2,832,319.81	3,863,552.49
		<u>4,491,524.79</u>	<u>6,386,725.25</u>
<b>Federal and State Grant Fund:</b>			
Reserve for Grants - Appropriated	A-15	838,759.35	719,515.38
Reserve for Grants - Unappropriated			14,947.42
Encumbrances Payable	A-11	28,246.82	66,200.87
		<u>867,006.17</u>	<u>800,663.67</u>
		<u>\$ 5,358,530.96</u>	<u>\$ 7,187,388.92</u>

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



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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2018	Year 2017
Fund Balance Utilized	A-2	\$ 2,430,859.00	\$ 893,431.31
Miscellaneous Revenue Anticipated	A-2	5,330,470.03	5,044,106.07
Receipts from Delinquent Taxes	A-2	37,196.35	27,505.59
Receipts from Current Taxes	A-2	37,259,674.22	36,703,674.37
Non-Budget Revenue	A-2	300,908.04	289,929.48
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	802,134.13	408,122.69
Encumbrances Payable - Canceled	A-11	2,042.28	15,417.07
Interfund Loan Returned		4,526.70	1,505.43
Reserve for Grants Appropriated - Canceled	A-15	16,947.00	2,650.00
<b>Total Income</b>		<b>46,184,757.75</b>	<b>43,386,342.01</b>
<b>Expenditures</b>			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	5,473,020.00	5,421,330.00
Other Expenses	A-3	5,355,466.37	5,313,210.71
Deferred Charges and Statutory:			
Expenditures - Municipal	A-3	1,329,156.80	1,187,774.48
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	60,618.87	15,000.00
Other Expenses	A-3	668,555.98	666,009.70
Capital Improvements	A-3	1,925,000.00	563,000.00
Debt Service	A-3	3,525,603.94	3,079,654.54
Transfer to Board of Education	A-3	222,500.00	222,500.00
County Taxes	A-6	8,753,736.92	8,730,878.57
County Open Space Taxes	A-6	213,415.25	213,586.90
Due County for Added Taxes	A-6	13,763.75	26,570.78
Local District School Tax	A-13	16,970,337.00	16,566,643.00
Special Improvement District Tax	A-6	269,844.55	269,448.66
Prior Year Deductions Disallowed	A-12	4,112.00	4,000.00
Interfund Loan Advanced			7,036.38
<b>Total Expenditures</b>		<b>44,785,131.43</b>	<b>42,286,643.72</b>

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

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

	Ref.	<u>Year 2018</u>	<u>Year 2017</u>
Statutory Excess to Fund Balance		1,399,626.32	1,099,698.29
<b>Fund Balance</b>			
Balance January 1	A	<u>3,863,552.49</u>	<u>3,657,285.51</u>
		5,263,178.81	4,756,983.80
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,430,859.00</u>	<u>893,431.31</u>
Balance December 31	A	<u>\$ 2,832,319.81</u>	<u>\$ 3,863,552.49</u>

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

## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Surplus Anticipated	A-1	\$ 2,430,859.00		\$ 2,430,859.00	
Miscellaneous Revenues:					
Licenses:					
Other	A-9	1,500.00		1,823.00	\$ 323.00
Fees and Permits	A-9	35,000.00		42,718.71	7,718.71
Fines and Costs:					
Municipal Court	A-9	150,000.00		154,851.26	4,851.26
Interest and Costs on Taxes	A-9	80,000.00		88,064.75	8,064.75
Interest on Investments	A-9	15,000.00		47,287.15	32,287.15
Department of Recreation Fees	A-9	38,000.00		64,506.87	26,506.87
Fire Code Fees	A-9	85,000.00		94,516.00	9,516.00
Delaware River Port Authority	A-9	30,000.00			(30,000.00)
Pool Tags	A-9	215,000.00		250,193.50	35,193.50
Rental Inspections	A-9	20,000.00		26,609.00	6,609.00
Resale Inspection Fees	A-9	10,000.00		10,750.00	750.00
Third Party Ambulance - Billing	A-9	415,000.00		361,635.17	(53,364.83)
Water Operating Surplus	A-9	20,000.00		20,000.00	
Sewer Operating Surplus	A-9	70,000.00		70,000.00	
Parking Operating Surplus	A-9	40,000.00		40,000.00	
Collingswood Ambulance Service	A-9	7,500.00		12,425.00	4,925.00
Housing Inspections	A-9	80,000.00		82,920.00	2,920.00
Senior Community Center Rents	A-9	70,000.00		71,679.50	1,679.50
Consolidated Municipal					
Property Tax Relief Act (NJSA 52:27D-118.34)	A-9	111,121.00		111,121.00	
Energy Receipts Tax	A-9	1,084,297.00		1,084,297.00	
Uniform Construction Code	A-9	136,500.00		224,837.00	88,337.00
Shared Services:					
Oaklyn - Construction	A-9	12,000.00	\$ 10,914.20	15,526.14	(7,388.06)
Merchantville Construction	A-9		9,954.04	9,950.55	(3.49)
Haddon - Fire Service	A-9	27,750.63		27,750.60	(0.03)
Oaklyn - Fire Code	A-9	3,000.00		3,000.00	
Cable Television Franchise Fee	A-9	100,841.25		100,841.25	
Telephone/Internet Franchise Fee	A-9	100,245.54		100,245.54	
Payments in Lieu:					
Parkview Apartments	A-9	922,000.00		936,229.10	14,229.10
Methodist Home	A-9	48,639.00		48,639.00	
Collingswood Housing Authority	A-9	20,000.00		26,183.00	6,183.00
Lumberyard	A-9	130,000.00		162,645.86	32,645.86
Pewter Village	A-9	95,000.00		98,151.60	3,151.60
VOA	A-9	14,000.00		13,983.75	(16.25)
Zane School	A-9	9,274.19		9,274.17	(0.02)
Tedeschi	A-9	15,615.00		15,615.01	0.01

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

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Due from Scottish Rite	A-9	150,000.00		150,000.00	
Due from Collingswood Partners	A-9	125,000.00		125,208.75	208.75
Lease Payments:					
Catelli Parking	A-9	18,000.00		16,500.00	(1,500.00)
Robert's Pool Concession Stand Sales	A-9	30,000.00		34,589.20	4,589.20
General Capital Fund Balance	A-9	46,762.00		46,762.00	
JIF Safety Awards	A-9	2,500.00		2,000.00	(500.00)
Community Development Block Grant	A-5	42,100.00		42,100.00	
Safe and Secure	A-5	90,000.00		90,000.00	
New Jersey DOT Eldridge Avenue	A-5	300,000.00		300,000.00	
Clean Communities Program	A-5		27,522.04	27,522.04	
Green Communities	A-5	6,000.00		6,000.00	
Recycling Tonnage Grant	A-5	14,947.42		14,947.42	
Municipal Alliance	A-5	15,665.50		15,665.50	
Safe Routes to Schools	A-5		30,304.61	30,304.61	
Sustainable Jersey Small Grants	A-5		600.03	600.03	
<b>Total Miscellaneous Revenues</b>		<b>5,053,258.53</b>	<b>79,294.92</b>	<b>5,330,470.03</b>	<b>197,916.58</b>
Receipts from Delinquent Taxes	A-2	15,000.00		37,196.35	22,196.35
Amount to be Raised by Taxation	A-2	10,752,526.00		10,802,665.15	50,139.15
Minimum Library Tax	A-2	353,249.00		353,249.00	
<b>Budget Totals</b>		<b>18,604,892.53</b>	<b>79,294.92</b>	<b>18,954,439.53</b>	<b>270,252.08</b>
Non-Budget Revenue	A-2			300,908.04	
		<b>\$ 18,604,892.53</b>	<b>\$ 79,294.92</b>	<b>\$ 19,255,347.57</b>	
Ref.		A-3	A-3		

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

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 37,259,674.22
Allocated to:		
School, County, and Special Improvement Taxes		<u>26,221,097.47</u>
Balance for Support of Municipal Budget Appropriation		11,038,576.75
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>117,337.40</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>\$ 11,155,914.15</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 12,408.52
Tax Title Liens	A-7	<u>24,787.83</u>
	A-2	<u><u>\$ 37,196.35</u></u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	\$ 16,526.91
Rent	A-9	10,800.00
Premiums Forfeited	A-9	12,000.00
Sale of Borough Property	A-9	148,723.00
Senior Citizen Administration Fee	A-9	1,582.76
DMV Inspection Fines	A-9	457.50
Clean up Charges	A-9	8,604.25
Miscellaneous Revenue	A-9	55,174.40
Restitution	A-9	360.00
Other Miscellaneous	A-9	326.00
Other Refunds	A-9	9,716.50
Mortgage Receivable	A-9	1,700.00
Prior Year Refund	A-9	3,109.41
Outside Employment of Off-Duty Police Administration Fee	A-9	<u>31,827.31</u>
	A-2	<u><u>\$ 300,908.04</u></u>

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>GENERAL GOVERNMENT FUNCTIONS</b>						
Administrator's Office						
Other Expenses	\$ 1,000.00	\$ 1,000.00	\$ 287.35		\$ 712.65	
Mayor and Commissioners						
Salaries and Wages	24,500.00	24,500.00	24,377.34		122.66	
Other Expenses	500.00	500.00	130.00		370.00	
Municipal Clerk						
Salaries and Wages	51,000.00	51,000.00	50,861.29		138.71	
Other Expenses	26,000.00	26,000.00	25,328.10	\$ 557.77	114.13	
Elections						
Salaries and Wages	2,000.00	2,000.00	1,800.00		200.00	
Other Expenses	10,000.00	10,000.00	9,881.68		118.32	
Financial Administration						
Salaries and Wages	55,000.00	58,500.00	58,487.01		12.99	
Other Expenses	50,000.00	45,500.00	34,609.42		10,890.58	
Computer Consultant	6,000.00	6,000.00	6,000.00			
Audit Services						
Other Expenses	50,000.00	50,000.00	44,950.00		5,050.00	
Collection of Taxes						
Salaries and Wages	5,800.00	5,800.00	5,666.96		133.04	
Other Expenses	18,500.00	18,500.00	14,126.85		4,373.15	
Assessment of Taxes						
Salaries and Wages	23,500.00	23,500.00	23,200.58		299.42	
Other Expenses						
Miscellaneous Other Expenses	13,100.00	13,100.00	5,823.77		7,276.23	
Legal Services and Costs						
Other Expenses	200,000.00	176,000.00	125,583.84		50,416.16	
Engineering Services and Costs						
Other Expenses	100,000.00	80,000.00	38,504.18		41,495.82	
Community Development						
Salaries and Wages	36,000.00	36,000.00	33,216.07		2,783.93	
Other Expenses						
Miscellaneous Other Expenses	40,000.00	40,000.00	32,013.15		7,986.85	
Community Consultant	60,000.00	60,000.00	33,661.64		26,338.36	

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Historical Building - Knight Homestead Other Expenses	500.00	500.00	264.00		236.00
<b>LAND USE ADMINISTRATION</b>					
Municipal Land Use Law (NJSA 40:55D-1) Planning Board					
Salaries and Wages	8,000.00	8,000.00	6,873.62		1,126.38
Other Expenses	15,000.00	15,000.00	11,683.29		3,316.71
Zoning Commission					
Salaries and Wages	24,000.00	24,000.00	19,622.88		4,377.12
Other Expenses	10,000.00	10,000.00	7,454.28		2,545.72
<b>INSURANCE</b>					
Liability Insurance	285,755.58	285,755.58	285,755.58		
Workers' Compensation Insurance	243,438.79	243,438.79	243,438.79		
Group Insurance Plan for Employees	1,750,000.00	1,750,000.00	1,650,676.30		99,323.70
Health Benefit Waiver	15,000.00	15,000.00	14,966.67		33.33
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police					
Salaries and Wages	2,615,000.00	2,615,000.00	2,302,103.00		312,897.00
Other Expenses	140,339.00	140,339.00	107,312.24	17,611.00	15,415.76
Police Car Lease	45,000.00	45,000.00	45,000.00		
Ambulance					
Other Expenses	55,500.00	55,500.00	40,115.43		15,384.57
Emergency Management Services					
Other Expenses	2,000.00	2,000.00	839.22		1,160.78
Fire					
Salaries and Wages	1,590,100.00	1,590,100.00	1,550,111.90		39,988.10
Other Expenses	77,500.00	77,500.00	68,851.06		8,648.94
Uniform Fire Safety Act (PL 1983, CH. 383):					
Fire Inspector					
Salaries and Wages	76,120.00	76,120.00	69,850.36		6,269.64
Other Expenses	52,700.00	52,700.00	49,679.70		3,020.30
Municipal Prosecutor					
Other Expenses	15,000.00	15,000.00	14,952.00		48.00

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>PUBLIC WORKS FUNCTIONS</b>					
Streets and Highways					
Salaries and Wages	292,500.00	248,500.00	203,642.73		44,857.27
Other Expenses	24,500.00	24,500.00	23,874.07		625.93
JIF Safety Equipment					
Other Expenses	2,000.00	2,000.00	568.75		1,431.25
Storm Recovery					
Other Expenses	5,000.00	5,000.00			5,000.00
Shade Tree Commission					
Other Expenses	42,000.00	42,000.00	30,258.32		11,741.68
Solid Waste Collection					
Contractual	594,000.00	594,000.00	564,000.00		30,000.00
Public Building and Grounds					
Other Expenses					
Miscellaneous Other Expenses	75,000.00	75,000.00	37,927.10	1,063.50	36,009.40
Licensed Site Remediation Professional	20,000.00	20,000.00	5,802.75	4,197.25	10,000.00
Lumberyard					
Other Expenses	25,000.00	25,000.00	22,795.15		2,204.85
Vehicle Maintenance					
Other Expenses	70,000.00	70,000.00	47,776.32		22,223.68
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health)					
Other Expenses	6,000.00	6,000.00	4,138.78		1,861.22
Animal Regulation					
Other Expenses	18,000.00	21,000.00	20,382.35		617.65
<b>PARK AND RECREATION FUNCTIONS</b>					
Parks and Playgrounds					
Salaries and Wages	32,500.00	35,000.00	34,799.24		200.76
Other Expenses	72,700.00	79,700.00	78,931.67		768.33
Robert's Park Swimming Pool					
Salaries and Wages	127,500.00	127,500.00	117,101.79		10,398.21
Other Expenses	80,000.00	102,000.00	101,304.01		695.99
Senior Center					
Salaries and Wages	60,000.00	72,500.00	72,128.05		371.95
Other Expenses	64,100.00	76,100.00	45,897.56	17,037.30	13,165.14
Foundation for the Arts					
Salaries and Wages	120,000.00	120,000.00	120,000.00		
Other Expenses	500.00	500.00			500.00

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



STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Business Improvement District					
Salaries and Wages	80,000.00	80,000.00	77,925.32		2,074.68
Other Expenses	34,333.00	34,333.00	34,158.23		174.77
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Community Sponsored Events					
Other Expenses	30,000.00	30,000.00	19,676.37		10,323.63
<b>UTILITY AND BULK EXPENSES</b>					
Electricity	100,000.00	125,000.00	106,386.87		18,613.13
Street Lighting	200,000.00	200,000.00	154,640.29		45,359.71
Telephone	50,000.00	50,000.00	48,693.37		1,306.63
Gas (Natural or Propane)	35,000.00	35,000.00	20,885.46		14,114.54
Fuel Oil	21,000.00	21,000.00	12,765.90		8,234.10
Telecommunication Costs	10,000.00	10,000.00	9,833.78		166.22
Gasoline	55,000.00	60,000.00	55,394.85		4,605.15
<b>SOLID WASTE DISPOSAL COSTS</b>					
Solid Waste Disposal					
Other Expenses	375,000.00	375,000.00	335,532.71		39,467.29
<b>MUNICIPAL COURT</b>					
Salaries and Wages	145,000.00	145,000.00	139,395.86		5,604.14
Other Expenses	26,500.00	26,500.00	17,944.90		8,555.10
Public Defender					
Other Expenses	5,000.00	5,000.00	4,858.90		141.10
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>					
Construction Official					
Salaries and Wages	130,000.00	130,000.00	128,333.34		1,666.66
Other Expenses	6,500.00	6,500.00	4,997.39		1,502.61
<b>Total Operations</b>	<b>10,828,486.37</b>	<b>10,828,486.37</b>	<b>9,760,811.73</b>	<b>40,466.82</b>	<b>1,027,207.82</b>
<b>Detail:</b>					
Salaries and Wages	5,498,520.00	5,473,020.00	5,039,497.34		433,522.66
Other Expenses	5,329,966.37	5,355,466.37	4,721,314.39	40,466.82	593,685.16

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>STATUTORY EXPENDITURES:</b>					
Contribution to:					
Public Employees' Retirement System	239,920.00	239,920.00	239,920.00		
Public Employees' Retirement System - Adjustment Bill	11,032.56	11,032.56	11,032.56		
Public Employees' Retirement System - Retro Bill	1,577.08	1,577.08	1,577.08		
Social Security System (OASI)	200,000.00	200,000.00	178,560.27		21,439.73
Consolidated Police & Firemen's Retirement System	88.58	88.58	88.58		
Police & Firemen's Retirement System	839,234.00	839,234.00	839,234.00		
Police & Firemen's Retirement System - Retro	14,304.58	14,304.58	14,304.58		
State Disability Insurance	18,000.00	18,000.00	14,200.50		3,799.50
Defined Contribution Retirement Program	5,000.00	5,000.00	4,544.55		455.45
<b>Total Deferred Charges &amp; Statutory Expenditures - Municipal within "CAPS"</b>	<b>1,329,156.80</b>	<b>1,329,156.80</b>	<b>1,303,462.12</b>		<b>25,694.68</b>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<b>12,157,643.17</b>	<b>12,157,643.17</b>	<b>11,064,273.85</b>	<b>40,466.82</b>	<b>1,052,902.50</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
<b>EDUCATION FUNCTIONS</b>					
Maintenance of Free Public Library	417,000.00	417,000.00	393,305.08		23,694.92
<b>SOLID WASTE DISPOSAL COSTS</b>					
Recycling Tax					
Other Expenses	17,500.00	17,500.00	12,848.61		4,651.39
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>434,500.00</b>	<b>434,500.00</b>	<b>406,153.69</b>		<b>28,346.31</b>
<b>SHARED SERVICE AGREEMENTS</b>					
Construction Code -Shared Service Agreements:					
Construction Official - Salaries & Wages:					
Borough of Oaklyn	12,000.00	22,914.20	19,515.34		3,398.86
Borough of Merchantville		9,954.04	6,180.86		3,773.18
Fire Services - Interlocal Service Agreements:					
Township of Haddon	3,000.00	3,000.00	2,999.88		0.12
Borough of Oaklyn	27,750.63	27,750.63	27,514.03		236.60
<b>Total Interlocal Municipal Service Agreements Excluded</b>	<b>42,750.63</b>	<b>63,618.87</b>	<b>56,210.11</b>		<b>7,408.76</b>

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Matching Funds for Grants	6,916.38	6,916.38			\$ 6,916.38
Recycling Tonnage Grant	14,947.42	14,947.42	14,947.42		
Clean Communities Program		27,522.04	27,522.04		
Municipal Alliance on Alcoholism and Drug Abuse	19,581.88	19,581.88	19,581.88		
Community Development Block Grant	42,100.00	42,100.00	42,100.00		
Safe and Secure	90,000.00	90,000.00	90,000.00		
Green Communities	6,000.00	6,000.00	6,000.00		
Safe Routes to Schools		30,304.61	30,304.61		
Sustainable Jersey Small Grants		600.03	600.03		
Total Public and Private Programs Excluded from "CAPS"	179,545.68	237,972.36	231,055.98		6,916.38
Total Operations Excluded from "CAPS"	656,796.31	736,091.23	693,419.78	35,755.07	6,916.38
Detail:					
Salaries and Wages	39,750.63	60,618.87	53,210.23	7,408.64	
Other Expenses	617,045.68	675,472.36	640,209.55	28,346.43	6,916.38
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	1,625,000.00	1,625,000.00	1,625,000.00		
NJ Transportation Trust Fund - Eldridge Avenue	300,000.00	300,000.00	300,000.00		
Capital Improvements Excluded from "CAPS"	1,925,000.00	1,925,000.00	1,925,000.00		
<b>DEBT SERVICE</b>					
Payment of Bond Principal	2,049,000.00	2,049,000.00	2,049,000.00		
Payment of Bond Anticipation Notes	612,000.00	612,000.00	612,000.00		
Interest on Bonds	761,890.65	761,890.65	761,884.92		5.73
Interest on Notes	102,725.00	102,725.00	102,719.02		5.98
Total Debt Service	3,525,615.65	3,525,615.65	3,525,603.94		11.71

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Transfer to Board of Education	222,500.00	222,500.00	222,500.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,329,911.96	6,409,206.88	6,366,523.72	35,755.07	6,928.09
Subtotal General Appropriations	18,487,555.13	18,566,850.05	17,430,797.57	40,466.82	1,088,657.57
Reserve for Uncollected Taxes	117,337.40	117,337.40	117,337.40		6,928.09
<b>Total General Appropriations</b>	<b>\$ 18,604,892.53</b>	<b>\$ 18,684,187.45</b>	<b>\$ 17,548,134.97</b>	<b>\$ 40,466.82</b>	<b>\$ 1,088,657.57</b>
Ref.	A-2			A-11	A
Budget	Ref. A-3	\$ 18,604,892.53			
Budget Amendments per NJSA 40A:4-87	A-2	79,294.92			
		<u>\$ 18,684,187.45</u>			
Reserve for Uncollected Taxes	Ref. A-2	\$ 117,337.40			
Reserve for Federal & State Grants - Appropriated	A-15	531,055.98			
Disbursed	A-4	16,899,741.59			
		<u>\$ 17,548,134.97</u>			

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

## TRUST FUND

## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Animal Control Trust Fund			
Cash - Treasurer	B-1	\$ 402.62	\$ 145.35
Payroll Trust Fund			
Cash - Treasurer	B-1	54,494.28	64,657.07
Due from Current Fund			5,680.05
		<u>54,494.28</u>	<u>70,337.12</u>
Trust Other Fund			
Cash - Treasurer	B-1	460,599.87	433,648.83
Commodity Resale Receivable		15,546.32	16,034.40
Accounts Receivable Off-Duty Police		24,413.99	17,519.25
Due from Inspection Escrow Applicant			337.00
Due from Current Fund	A	107.55	
		<u>500,667.73</u>	<u>467,539.48</u>
Tax Sale Premium			
Cash - Collector	B-2	413,330.67	746,060.34
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	52,734.33	44,205.86
Due from Payroll Agency			2,490.53
		<u>52,734.33</u>	<u>46,696.39</u>
		<u>\$ 1,021,629.63</u>	<u>\$ 1,330,778.68</u>

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

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Animal Control Trust Fund			
Due Current Fund	A	\$ 1.80	\$ 0.15
Due State of New Jersey		2.40	1.20
Reserve for Dog Fund Expenditures	B-3	398.42	144.00
		<u>402.62</u>	<u>145.35</u>
 Payroll Trust Fund			
Payroll Taxes Payable		54,494.28	67,846.59
Due Unemployment Trust Fund			2,490.53
		<u>54,494.28</u>	<u>70,337.12</u>
 Trust Other Fund			
Encumbrances Payable		19,973.98	10,006.00
Reserve for:			
Zoning Board Escrow		10,582.87	7,293.25
Planning Board Escrow		25,860.79	27,184.29
Inspection Escrow			5,603.93
Review Inspection Escrow		160.00	
Street Opening Escrow		957.00	957.00
Performance Bond Escrow		31,470.43	30,933.60
Storm Recovery Trust Fund		2,328.40	8,494.95
Public Defender		3,334.60	1,770.00
Parking Offense Adjudication Act		934.89	1,931.69
Uniform Fire Safety - Penalty Money		19,748.00	15,993.00
Municipal Alliance Program Income		935.66	935.66
Law Enforcement Forfeiture		14,515.00	12,920.80
Donations - Police Equipment		3,172.25	3,172.25
Donations - Fire Equipment		1,165.46	1,340.46
Donations - Bike Share Program		1,234.60	1,545.49
Donations - Community Events and Activities		48,074.12	34,449.09
Farmers Market - Recreation Trust		69,833.66	62,133.16
Recreation Trust Fund		1,249.69	1,249.69

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

EXHIBIT B  
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES. AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>(CONTINUED)</b>			
Trust Other Fund			
Domestic Violence Program Income		283.39	283.39
Accumulated Absences		101,859.06	101,859.06
Commodity Resale System		45,454.21	37,223.73
Outside Employment of Off-Duty Police Officer		94,541.59	97,014.83
Bequest - Ambulance Donations		2,998.08	3,038.08
Due Current Fund			206.08
		<u>500,667.73</u>	<u>467,539.48</u>
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B-4	87,334.37	83,392.04
Reserve for Tax Sale Premiums	B-5	325,800.00	662,500.00
Due Current Fund	A	196.30	168.30
		<u>413,330.67</u>	<u>746,060.34</u>
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		52,734.33	46,696.39
		<u>\$ 1,021,629.63</u>	<u>\$ 1,330,778.68</u>

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



## **GENERAL CAPITAL FUND**

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

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2018	Dec. 31, 2017
Cash - Treasurer	C-2	\$ 2,279,087.23	\$ 1,140,578.51
Deferred Charges to Future Taxation:			
Funded	C-4	17,345,000.00	19,394,000.00
Unfunded	C-6	5,008,000.00	5,620,000.00
Amount to be Provided by Capital Lease	C-10	81,594.72	71,836.63
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>\$ 26,013,681.95</u>	<u>\$ 27,526,415.14</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-9	\$ 4,258,000.00	\$ 4,120,000.00
Serial Bonds Payable	C-8	18,645,000.00	20,694,000.00
Improvement Authorizations:			
Funded	C-7	139,923.08	163,260.62
Unfunded	C-7	1,028,926.38	2,266,842.94
Encumbrances Payable		1,614,841.80	120,920.24
Capital Improvement Fund	C-5	205,206.67	30,206.67
Due from Current Fund			3,438.74
Capital Lease Payable	C-10	81,594.72	71,836.63
Fund Balance	C-1	40,189.30	55,909.30
		<u>\$ 26,013,681.95</u>	<u>\$ 27,526,415.14</u>

EXHIBIT C-1

## SCHEDULE OF FUND BALANCE

	Ref.	
Balance December 31, 2017	C	\$ 55,909.30
Increased by:		
Premium on Bonds and Notes	C-2	31,042.00
		<u>86,951.30</u>
Decreased by:		
Current Fund Budget Appropriation	A-2	46,762.00
Balance December 31, 2018	C	<u>\$ 40,189.30</u>

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

## **WATER UTILITY FUND**

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

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Operating Fund</b>			
Cash - Treasurer	D-5	\$ 642,280.89	\$ 1,080,958.01
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund			3,268.82
Due from Current Fund			2,644.82
		<u>642,430.89</u>	<u>1,087,021.65</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	107,878.45	139,892.47
Water Liens	D-8	426.77	825.00
		<u>108,305.22</u>	<u>140,717.47</u>
Total Operating Fund		<u>750,736.11</u>	<u>1,227,739.12</u>
<b>Capital Fund</b>			
Cash - Treasurer	D-5	2,200,169.19	2,331,949.45
Fixed Capital	D-9	11,307,433.80	11,306,714.80
Fixed Capital Authorized and Uncompleted	D-10	4,550,000.00	4,100,719.00
Total Capital Fund		<u>18,057,602.99</u>	<u>17,739,383.25</u>
		<u><u>\$ 18,808,339.10</u></u>	<u><u>\$ 18,967,122.37</u></u>

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

EXHIBIT D  
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 16,793.40	\$ 211,522.36
Encumbrances Payable	D-12	1,150.49	23,531.74
Accrued Interest on Bonds, Loans and Notes	D-14	79,377.27	36,117.53
Water Rent Overpayments		23,015.51	15,891.67
Due Sewer Operating Fund	E	14,951.88	13,477.51
		<u>135,288.55</u>	<u>300,540.81</u>
Reserve for Receivables		108,305.22	140,717.47
Fund Balance	D-1	507,142.34	786,480.84
Total Operating Fund		<u>750,736.11</u>	<u>1,227,739.12</u>
<b>Capital Fund</b>			
Serial Bonds Payable	D-16	1,505,050.00	1,727,800.00
NJ Environmental Infrastructure Loan Payable	D-18	1,008,253.26	1,091,065.92
Bond Anticipation Notes Payable	D-17	3,390,000.00	3,660,000.00
Improvement Authorizations:			
Funded	D-15	247,133.40	26,355.00
Unfunded	D-15	1,104,821.17	1,213,732.99
Encumbrances Payable	D-12	393,569.34	467,120.36
Capital Improvement Fund	D-13	425,205.99	575,205.99
Reserve for Amortization		9,104,130.54	8,527,848.88
Deferred Reserve for Amortization	D-19	850,000.00	400,719.00
Due Water Operating Fund			3,268.82
Fund Balance	D-2	29,439.29	46,266.29
Total Capital Fund		<u>18,057,602.99</u>	<u>17,739,383.25</u>
		<u>\$ 18,808,339.10</u>	<u>\$ 18,967,122.37</u>

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

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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2018	Year 2017
Fund Balance Utilized	D-3	\$ 557,017.66	\$ 62,852.58
Rents	D-3	2,425,680.29	2,408,564.14
Additional Rents	D-3	100,000.00	
Water Capital Fund Balance	D-3	41,541.00	13,902.00
NJEIT Project Credits			10,075.00
Miscellaneous	D-3	28,938.57	28,005.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	202,742.58	95,864.38
Encumbrances Canceled	D-12	741.00	
Total Income		<u>3,356,661.10</u>	<u>2,619,263.16</u>
<b>Expenditures</b>			
Operating	D-4	1,890,500.00	1,570,000.00
Capital Improvements	D-4	300,000.00	200,000.00
Debt Service	D-4	786,981.94	465,744.61
Deferred Charges and Statutory Expenditures	D-4	101,500.00	164,550.00
Total Expenditures		<u>3,078,981.94</u>	<u>2,400,294.61</u>
Excess in Revenue		277,679.16	218,968.55
<b>Fund Balance</b>			
Balance January 1	D	786,480.84	630,364.87
		1,064,160.00	849,333.42
Decreased by:			
Utilization as Anticipated Revenue	D-1	557,017.66	62,852.58
Balance December 31	D	<u>\$ 507,142.34</u>	<u>\$ 786,480.84</u>

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

## EXHIBIT D-2

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

Balance December 31, 2017	Ref. D	\$ 46,266.29
Increased by:		
Premiums on Bonds & Notes	D-5	24,714.00
		<u>70,980.29</u>
Decreased by:		
Budgeted Revenue	D-3	41,541.00
Balance December 31, 2018	D	<u>\$ 29,439.29</u>

## EXHIBIT D-3

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

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	\$ 557,017.66	\$ 557,017.66	
Rents	D-3	2,400,000.00	2,425,680.29	\$ 25,680.29
Additional Rents	D-3	100,000.00	100,000.00	
Water Capital Fund Balance	D-2	41,541.00	41,541.00	
		<u>\$ 3,098,558.66</u>	<u>\$ 3,124,238.95</u>	<u>\$ 25,680.29</u>
	Ref.	D-4		

**Analysis of Realized Revenue**

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	\$ 2,508,696.76
Overpayments Applied	D-7	15,891.67
Water Liens	D-8	1,091.86
		<u>\$ 2,525,680.29</u>
Miscellaneous:		
Interest on Delinquent Accounts		\$ 16,064.23
Miscellaneous		84.00
Interest on Investments		12,790.34
	D-5	<u>\$ 28,938.57</u>

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

STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 460,000.00	\$ 420,000.00	\$ 416,272.70		\$ 3,727.30	
Other Expenses	950,500.00	995,500.00	992,616.89	\$ 1,150.49	1,732.62	
Shared Service - Merchantville Pennsauken Water Commission	475,000.00	475,000.00	466,666.64		8,333.36	
Capital Improvements:						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
Debt Service:						
Payment of Bond Principal	222,750.00	222,750.00	222,750.00			
Payment of Loan Principal	82,812.66	82,812.66	72,812.66			\$ 10,000.00
Payment of Note Principal	270,000.00	270,000.00	270,000.00			
Interest on Bonds	71,100.00	71,100.00	71,059.54			40.46
Interest on Loan	18,651.00	18,651.00	13,200.88			5,450.12
Interest on Notes	141,245.00	141,245.00	137,158.86			4,086.14
Statutory Expenditures:						
Public Employees' Retirement System	45,000.00	45,000.00	45,000.00			
Social Security System (OASI)	40,000.00	35,000.00	32,098.95		2,901.05	
State Disability Insurance	1,500.00	1,500.00	1,400.93		99.07	
Surplus General Budget	20,000.00	20,000.00	20,000.00			
	<u>\$ 3,098,558.66</u>	<u>\$ 3,098,558.66</u>	<u>\$ 3,061,038.05</u>	<u>\$ 1,150.49</u>	<u>\$ 16,793.40</u>	<u>\$ 19,576.72</u>
Ref.	D-3	D-3		D-12	D	
Interest on Bonds and Notes Disbursed		Ref. D-14 D-5	\$ 221,419.28 2,839,618.77 <u>\$ 3,061,038.05</u>			

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



**SEWER UTILITY FUND**

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

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Operating Fund</b>			
Cash - Treasurer	E-5	\$ 791,526.77	\$ 815,348.84
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund			938.74
Due from Water Operating Fund	D	14,951.88	13,477.51
Due from Sewer Capital Fund			1,264.58
		<u>806,628.65</u>	<u>831,179.67</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	3,498.08	1,662.89
Sewer Liens	E-8	1,278.49	1,695.45
		<u>4,776.57</u>	<u>3,358.34</u>
Total Operating Fund		<u>811,405.22</u>	<u>834,538.01</u>
<b>Capital Fund</b>			
Cash - Treasurer	E-5	958,481.20	908,931.84
Fixed Capital	E-9	7,496,904.60	6,916,904.60
Fixed Capital Authorized and Uncompleted	E-10	492,561.25	847,561.25
Total Capital Fund		<u>8,947,947.05</u>	<u>8,673,397.69</u>
		<u><u>\$ 9,759,352.27</u></u>	<u><u>\$ 9,507,935.70</u></u>

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

EXHIBIT E  
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	E-4:E-11	\$ 82,343.95	\$ 86,519.82
Encumbrances Payable	E-12	25,141.25	16,418.35
Accrued Interest on Bonds	E-14	11,978.88	18,174.25
Sewer Rent Overpayments		10,855.82	6,596.18
Due Current Fund	A	643.94	
		<u>130,963.84</u>	<u>127,708.60</u>
Reserve for Receivables		4,776.57	3,358.34
Fund Balance	E-1	675,664.81	703,471.07
Total Operating Fund		<u>811,405.22</u>	<u>834,538.01</u>
<b>Capital Fund</b>			
Serial Bonds Payable	E-16	940,950.00	1,073,200.00
NJ Wastewater Treatment Trust Loan	E-17	469,111.51	610,139.35
Bond Anticipation Notes Payable	E-18	180,000.00	355,000.00
Improvement Authorizations:			
Funded	E-15	278,593.09	189,256.65
Capital Improvement Fund	E-13	382,391.00	432,391.00
Encumbrances Payable	E-12	14,194.75	
Due Sewer Operating Fund			1,264.58
Reserve for Amortization		5,906,843.09	5,408,565.25
Deferred Reserve for Amortization	E-19	492,561.25	317,561.25
Fund Balance	E-2	283,302.36	286,019.61
Total Capital Fund		<u>8,947,947.05</u>	<u>8,673,397.69</u>
		<u><u>\$ 9,759,352.27</u></u>	<u><u>\$ 9,507,935.70</u></u>

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

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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2018	Year 2017
Fund Balance Utilized	E-3	\$ 148,648.59	\$ 79,832.11
Rents	E-3	2,022,252.51	2,026,791.97
Additional Rents	E-3	100,000.00	
Sewer Capital Fund Balance	E-3	4,029.25	5,262.90
Miscellaneous	E-3	13,260.14	9,829.25
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	77,329.17	85,776.82
<b>Total Income</b>		<u>2,365,519.66</u>	<u>2,207,493.05</u>
<b>Expenditures</b>			
Operating	E-4	1,365,000.00	1,273,500.00
Capital Improvements	E-4	175,000.00	75,000.00
Debt Service	E-4	505,677.33	515,293.16
Deferred Charges and Statutory Expenditures	E-4	199,000.00	192,950.00
<b>Total Expenditures</b>		<u>2,244,677.33</u>	<u>2,056,743.16</u>
Excess in Revenue		120,842.33	150,749.89
<b>Fund Balance</b>			
Balance January 1	E	703,471.07	632,553.29
		824,313.40	783,303.18
Decreased by:			
Utilization as Anticipated Revenue	E-1	148,648.59	79,832.11
<b>Balance December 31</b>	E	<u>\$ 675,664.81</u>	<u>\$ 703,471.07</u>

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

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

Balance December 31, 2017	Ref. E	\$ 286,019.61
Increased by:		
Premiums on Bonds and Notes Issued	E-5	1,312.00
		<u>287,331.61</u>
Decreased by:		
Budgeted Revenue	E-3	4,029.25
Balance December 31, 2018	E	<u><u>\$ 283,302.36</u></u>

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

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	\$ 148,648.59	\$ 148,648.59	
Rents	E-3	2,000,000.00	2,022,252.51	\$ 22,252.51
Additional Rents	E-3	100,000.00	100,000.00	
Sewer Capital Fund Balance	E-2	4,029.25	4,029.25	
		<u>\$ 2,252,677.84</u>	<u>\$ 2,274,930.35</u>	<u>\$ 22,252.51</u>
	Ref.	E-4		

## Analysis of Realized Revenue

## Rents:

## Consumer Accounts Receivable:

Collected	E-7	\$ 2,113,586.36
Overpayments Applied	E-7	6,592.07
Sewer Utility Liens	E-8	2,074.08
		<u>\$ 2,122,252.51</u>

## Miscellaneous:

Interest on Delinquent Accounts		\$ 5,722.07
Interest on Investments		7,290.07
Miscellaneous		248.00
	E-5	<u>\$ 13,260.14</u>

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

STATEMENT OF EXPENDITURES - SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operating:						
Salaries & Wages	\$ 790,000.00	\$ 790,000.00	\$ 763,094.35		\$ 26,905.65	
Other Expenses	575,000.00	575,000.00	497,612.14	\$ 25,141.25	52,246.61	
Capital Improvements:						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00			
Debt Service:						
Payment of Bond Principal	132,250.00	132,250.00	132,250.00			
Payment of Loan Principal	141,027.84	141,027.84	140,910.46			\$ 117.38
Payment of Note Principal	175,000.00	175,000.00	175,000.00			
Interest on Bonds	43,400.00	43,400.00	43,379.88			20.12
Interest on Loans	14,000.00	14,000.00	8,644.38			5,355.62
Interest on Notes	8,000.00	8,000.00	5,492.61			2,507.39
Statutory Expenditures:						
Public Employees' Retirement System	65,000.00	65,000.00	65,000.00			
Social Security System (OASI)	61,000.00	61,000.00	58,817.80		2,182.20	
State Disability Insurance	3,000.00	3,000.00	1,990.51		1,009.49	
Surplus General Budget	70,000.00	70,000.00	70,000.00			
	<u>\$ 2,252,677.84</u>	<u>\$ 2,252,677.84</u>	<u>\$ 2,137,192.13</u>	<u>\$ 25,141.25</u>	<u>\$ 82,343.95</u>	<u>\$ 8,000.51</u>
Ref.	E-3			E-12	E	
Interest on Bonds and Notes Disbursed		Ref. E-14	\$ 57,516.87			
		E-5	2,079,675.26			
			<u>\$ 2,137,192.13</u>			

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

## **PARKING UTILITY FUND**

## EXHIBIT F

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

<b>ASSETS</b>		Ref.	Balance Dec. 31, 2018	Balance Dec. 31, 2017
<b>Operating Fund</b>				
Cash		F-4	\$ 267,989.67	\$ 332,495.36
Due from Parking Utility Capital Fund				114.10
Total Operating Fund			<u>267,989.67</u>	<u>332,609.46</u>
<b>Capital Fund</b>				
Cash		F-4	61,606.20	56,219.30
			<u>\$ 329,595.87</u>	<u>\$ 388,828.76</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>				
<b>Operating Fund</b>				
Appropriation Reserve		F-3:F-6	\$ 70,165.84	\$ 44,895.61
Encumbrances Payable				70,000.00
Fund Balance		F-1	197,823.83	217,713.85
			<u>267,989.67</u>	<u>332,609.46</u>
<b>Capital Fund</b>				
Due Parking Utility Operating Fund				114.10
Improvement Authorizations - Funded		F-9	41,606.20	26,621.00
Encumbrances Payable				14,484.20
Capital Improvement Fund		F-7	20,000.00	15,000.00
			<u>61,606.20</u>	<u>56,219.30</u>
			<u>\$ 329,595.87</u>	<u>\$ 388,828.76</u>

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



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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2018	Year 2017
Surplus Anticipated	F-2	\$ 80,500.00	\$ 88,000.00
Parking Meter	F-2	209,705.26	215,390.74
Miscellaneous Revenue Not Anticipated	F-2	11,140.55	20,526.42
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-6	44,764.17	12,271.38
<b>Total Income</b>		<u>346,109.98</u>	<u>336,188.54</u>
<b>Expenditures</b>			
Operating	F-3	184,000.00	165,000.00
Capital Improvements	F-3	54,000.00	96,000.00
Deferred Charges and Statutory Expenditures	F-3	47,500.00	27,000.00
		<u>285,500.00</u>	<u>288,000.00</u>
Excess in Revenue		60,609.98	48,188.54
<b>Fund Balance</b>			
Balance January 1	F	217,713.85	257,525.31
		<u>278,323.83</u>	<u>305,713.85</u>
Decreased by:			
Utilization as Anticipated Revenue	F-1	80,500.00	88,000.00
<b>Balance December 31</b>	F	<u>\$ 197,823.83</u>	<u>\$ 217,713.85</u>

STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	\$ 80,500.00	\$ 80,500.00	
Parking Meter	F-4	205,000.00	209,705.26	\$ 4,705.26
		<u>\$ 285,500.00</u>	<u>\$ 290,205.26</u>	<u>\$ 4,705.26</u>
	Ref.	F-3		
Miscellaneous:				
Interest on Investments			\$ 1,487.55	
Parking Permit Fees			9,653.00	
			<u>\$ 11,140.55</u>	

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

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

	Appropriations		Expended	
	Budget	Budget After Modifications	Paid or Charged	Reserved
Operating:				
Salary & Wages	\$ 78,000.00	\$ 78,000.00	\$ 37,718.07	\$ 40,281.93
Other Expenses	106,000.00	106,000.00	81,334.20	24,665.80
Capital Improvements:				
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	
Purchase/Lease New Vehicle	39,000.00	39,000.00	38,022.23	977.77
Statutory Expenditures:				
Social Security	6,500.00	6,500.00	2,885.51	3,614.49
State Disability Insurance	500.00	500.00	188.57	311.43
Defined Contribution Retirement	500.00	500.00	185.58	314.42
Surplus - General Budget	40,000.00	40,000.00	40,000.00	
	<u>\$ 285,500.00</u>	<u>\$ 285,500.00</u>	<u>\$ 215,334.16</u>	<u>\$ 70,165.84</u>
Ref.	F-2		F-4	F

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

## **GENERAL FIXED ASSETS**

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

<b>ASSETS</b>	Balance Dec. 31, 2018	Balance Dec. 31, 2017
General Fixed Assets:		
Buildings	\$ 25,839,365.50	\$ 25,839,365.50
Land	1,297,660.89	784,275.00
Infrastructure	13,047,167.15	13,047,167.15
Machinery & Equipment	3,720,693.04	4,482,036.64
Vehicles	4,043,059.88	3,870,678.94
	<u>\$ 47,947,946.46</u>	<u>\$ 48,023,523.23</u>
Investment in General Fixed Assets	<u>\$ 47,947,946.46</u>	<u>\$ 48,023,523.23</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**(Regulatory Basis)**

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**A. Reporting Entity**

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

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

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

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

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

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

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

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

**Current Fund** - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

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

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

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

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

**C. Basis of Accounting**

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

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

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

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

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

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

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

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

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

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

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

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

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

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

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



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

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

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

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

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

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

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

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

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

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

**D. Comparative Data**

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

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

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement, which is effective for periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This Statement, which is effective for periods beginning after December 31, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This Statement, which is effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement, which is effective for fiscal periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This Statement, which is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This Statement, which is effective for fiscal periods beginning after December 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**E. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." This Statement, which is effective for fiscal periods beginning after December 15, 2020, will not have a significant impact of the Borough's financial statements.

**F. Recent Issued Accounting Guidance**

Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement is effective for periods beginning after June 15, 2017. The adoption of this Statement did not have an impact on the financial statements.

**NOTE 2: BUDGETARY INFORMATION**

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2018 and 2017 statutory budgets included a reserve for uncollected taxes in the amount of \$117,341.56 and \$105,638.01, respectively. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87. The Borough amended the budget during the year by the insertion of Special Items of Revenues in the amount of \$79,294.92 for various grants as detailed on Exhibit A-2.

**NOTE 3: CASH**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 3: CASH (CONTINUED)**

**Custodial Credit Risk – Deposits (Continued)**

established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2018 and 2017, the carrying amount of the Borough's deposits was \$12,453,056.50 and \$14,163,636.92, respectively. As of December 31, 2018 and 2017, \$0 of the municipality's bank balance of \$12,831,836.54 and \$14,398,363.25, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2018 and 2017, the Borough did not have any investments.

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

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

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

**NOTE 5: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the current and prior year:

	Balance Dec. 31, 2018	Balance Dec. 31, 2017
Prepaid Taxes - Cash Liability	<u>\$ 219,861.00</u>	<u>\$ 1,199,587.19</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 6: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Land	\$ 784,275.00	\$ 513,385.89		\$ 1,297,660.89
Infrastructure	13,047,167.15			13,047,167.15
Buildings	25,839,365.50			25,839,365.50
Vehicles	3,870,678.94	172,380.94		4,043,059.88
Equipment	4,482,036.64	317,781.40	\$ 1,079,125.00	3,720,693.04
	<u>\$ 48,023,523.23</u>	<u>\$ 1,003,548.23</u>	<u>\$ 1,079,125.00</u>	<u>\$ 47,947,946.46</u>

**NOTE 7: ECONOMIC DEPENDENCY**

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 8: FUND BALANCES APPROPRIATED**

	Year	Balance December 31,	Utilized in Budget of Succeeding Year
Current Fund	2018	\$ 2,832,319.81	\$ 1,215,147.06
	2017	3,863,552.49	2,430,859.00
	2016	3,657,285.51	893,431.31
	2015	2,328,613.15	382,745.78
	2014	1,810,879.36	450,301.62
Water Operating Fund	2018	507,142.34	231,966.32
	2017	786,480.84	557,017.66
	2016	630,364.87	62,852.58
	2015	404,833.68	65,681.40
	2014	56,765.58	24,308.53
Sewer Operating Fund	2018	675,664.81	84,326.07
	2017	703,471.07	148,648.59
	2016	632,553.29	79,832.11
	2015	393,165.71	36,798.27
	2014	249,830.54	92,000.00
Parking Utility	2018	197,823.83	190,000.00
	2017	217,713.85	80,500.00
	2016	257,525.31	88,000.00
	2015	154,950.34	62,721.82
	2014	218,150.34	63,200.00

**NOTE 9: ACCUMULATED ABSENCE BENEFITS**

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

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

**SICK DAYS:**

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

**SICK DAYS (CONTINUED):**

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

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

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

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

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

Borough employees may carry unused vacation days forward one year if due to the "pressure of work." The total value of compensated absences owed to employees, as of December 31, 2018 and 2017, under the various agreements are as follows:

	Value	
	12/31/2018	12/31/2017
FMBA #108	\$ 175,751.57	\$ 102,441.89
FOP Lodge #76	104,659.86	111,579.07
Teamsters	46,620.15	75,612.62
Non-Union	120,430.62	157,242.59
	<b>\$ 447,462.20</b>	<b>\$ 446,876.17</b>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 10: NOTES PAYABLE**

As of December 31, 2018, the Borough had the following bond anticipation notes outstanding:

	Amount	Interest Rate	Maturity Date
General Capital Fund:			
Jefferies LLC	\$ 4,258,000.00	2.5000%	3/20/2019
Water Capital Fund			
Jefferies LLC	3,390,000.00	2.5000%	3/20/2019
Sewer Capital Fund			
Jefferies LLC	180,000.00	2.5000%	3/20/2019
	<u>\$ 7,828,000.00</u>		

The Borough renewed the notes, after a pay down of \$1,208,000.00 for Current Fund, \$290,000.00 for Water, and \$180,000.00 for Sewer. The note was issued for an additional one year period which matures on March 18, 2020. Additional funds were borrowed. See Subsequent Events Note for details.

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

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

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2018:



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

	Due	
	From	To
Current Fund		
Animal Control Trust	\$ 1.80	
Tax Sale Trust	196.30	
Sewer Operating Fund	643.94	
Trust Other		\$ 107.55
Animal Control Trust Fund		
Current Fund		1.80
Trust Other		
Current Fund	107.55	
Tax Sale Trust		
Current Fund		196.30
Water Operating Fund		
Sewer Operating Fund		14,951.88
Sewer Operating Fund		
Current Fund		643.94
Water Operating Fund	14,951.88	
	<u>\$ 15,901.47</u>	<u>\$ 15,901.47</u>

**NOTE 12: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-Term Debt as of December 31, 2018, consisted of the following:

	Year		
	2018	2017	2016
Bonds, Notes and Loans Issued	\$ 30,396,364.77	\$ 33,331,205.27	\$ 32,275,153.94
Bonds and Notes Authorized but not Issued	750,000.00	1,500,000.00	4,219,425.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 31,146,364.77</u>	<u>\$ 34,831,205.27</u>	<u>\$ 36,494,578.94</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

	Balance Dec. 31, 2017	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2018	Due Within One Year
<b>ISSUED:</b>					
General:					
General Serial Bonds	\$ 20,694,000.00		\$ 2,049,000.00	\$ 18,645,000.00	\$ 2,085,000.00
Bond Anticipation Notes	4,120,000.00	\$ 750,000.00	612,000.00	4,258,000.00	1,208,000.00
Water:					
Serial Bonds	1,727,800.00		222,750.00	1,505,050.00	144,150.00
NJ Infrastructure Loan	1,091,065.92		82,812.66	1,008,253.26	82,812.66
Bond Anticipation Notes	3,660,000.00		270,000.00	3,390,000.00	290,000.00
Sewer:					
Serial Bonds	1,073,200.00		132,250.00	940,950.00	75,850.00
NJ Infrastructure Loan	610,139.35		141,027.84	469,111.51	139,119.82
Bond Anticipation Notes	355,000.00		175,000.00	180,000.00	180,000.00
Net Debt Issued	<u>33,331,205.27</u>	<u>750,000.00</u>	<u>3,684,840.50</u>	<u>30,396,364.77</u>	<u>4,204,932.48</u>
<b>AUTHORIZED BUT NOT ISSUED:</b>					
General:					
Bond Anticipation Notes	1,500,000.00		750,000.00	750,000.00	
Authorized but not Issued	<u>1,500,000.00</u>		<u>750,000.00</u>	<u>750,000.00</u>	
Total Debt Issued and Authorized but not Issued	<u>\$ 34,831,205.27</u>	<u>\$ 750,000.00</u>	<u>\$ 4,434,840.50</u>	<u>\$ 31,146,364.77</u>	

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

**General Capital Fund**

\$1,300,000.00 CCIA Revenue Bonds dated September 1, 1999, payable in annual installments through September 1, 2019. Interest is paid semi-annually at a rate of 5.85% per annum. The balance remaining as of December 31, 2018, was \$100,000.00.

\$11,153,000.00 General Improvement Bonds dated June 1, 2009, payable in annual installments through June 1, 2019. Interest is paid semi-annually at a rate of 4.375% per annum. The balance remaining as of December 31, 2018, was \$485,000.00.

\$3,224,000.00 General Improvement Bonds taxable bonds dated June 1, 2009, payable in annual installments through June 1, 2019. Interest is paid semi-annually at a rate of 6% per annum. The balance remaining as of December 31, 2018, was \$150,000.00.

\$3,500,000.00 General Improvement Bonds taxable bonds dated April 15, 2014, payable in annual installments through February 15, 2024. Interest is paid semi-annually at a rate of 2.15%- 3.625% per annum. The balance remaining as of December 31, 2018, was \$2,265,000.00.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

\$1,780,000.00 General Obligation Refunding Bonds dated May 15, 2014, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 1.5% to 3% per annum. The balance remaining as of December 31, 2018, was \$840,000.00.

\$2,340,000.00 General Improvement Bonds taxable bonds dated April 20, 2016, payable in annual installments through April 15, 2031. Interest is paid semi-annually at a rate of 3% per annum. The balance remaining as of December 31, 2018, was \$2,140,000.00.

\$2,525,000.00 General Obligation Refunding taxable Bonds dated April 27, 2016, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 1.601% to 3.616% per annum. The balance remaining as of December 31, 2018, was \$2,355,000.00.

\$10,425,000.00 General Obligation Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 4% to 5% per annum. The balance remaining as of December 31, 2018, was \$10,310,000.00.

**Water Capital Fund**

\$1,914,314.00 New Jersey Water Bank formerly New Jersey Environmental Infrastructure Trust Financing (NJEIT) dated May 22, 2013, payable in semi-annual installments through August 1, 2032. The water loan consists of \$640,000.00 trust loan and \$1,274,314.00 fund loan. Principal was forgiven on the Fund loan in the amount of \$244,600.00 in 2013. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2018, was \$1,008,253.26.

\$558,000.00 Water Utility Bonds dated December 4, 2002, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 4.625%-4.75% per annum. The balance remaining as of December 31, 2018, was \$151,000.00.

\$1,575,300.00 Water Utility Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2028. Interest is paid semi-annually at a rate of 4%-5% per annum. The balance remaining as of December 31, 2018, was \$1,354,050.000.

**Sewer Capital Fund**

\$1,050,000.00 New Jersey Water Bank formerly New Jersey Environmental Infrastructure Trust Financing (NJEIT) dated November 9, 2000, payable in semi-annual installments through August 2020. The sewer loan consists of \$530,000.00 trust loan and \$520,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 4%-5.5% per annum. New Jersey Environmental Infrastructure Trust refunded this loan on June 20, 2006, saving the Borough \$25,542.38 in interest costs. These savings are applied as credits to payments. The balance remaining at December 31, 2018, was \$131,835.18.

\$573,513.00 New Jersey Water Bank formerly New Jersey Environmental Infrastructure Trust Financing (NJEIT) dated November 8, 2001, payable in semi-annual installments through August 2021. The sewer loan consists of \$280,000.00 trust loan and \$293,513.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 5%-5.25% per annum. The balance remaining at December 31, 2018, was \$90,254.40.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Sewer Capital Fund (Continued)**

\$726,000.00 New Jersey Water Bank formerly New Jersey Environmental Infrastructure Trust Financing (NJEIT) dated March 10, 2010, payable in semi-annual installments through August 2029. The loan consists of \$180,000.00 trust loan and \$546,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2018, was \$247,021.93.

\$1,094,700.00 Sewer Utility Refunding Bonds dated April 27, 2016, payable in annual installments through June 1, 2028. Interest is paid semi-annually at a rate of 4%-5% per annum. The balance remaining as of December 31, 2018, was \$940,950.00.

**Defeased Debt**

\$13,095,000.00 General Obligation Refunding Bonds, Series 2016 dated April 27, 2016, payable in annual installments through June 1, 2029. The Refunding Bonds were issued with a net interest costs of 2.417716% to advance refund \$420,000.00 Water/Sewer Utility Bonds, Series 1998A, maturing serially on October 1 in the years 2016 through 2018, \$2,204,000.00 General Improvement Bonds, Series 2008, maturing serially on February 1 in the years 2019 through 2021, \$2,486,000.00 Water/Sewer Utility Bonds, Series 2008 maturing serially on February 1 in the years 2019 through 2028, \$8,608,000.00 General Obligation Bonds, Series 2009, maturing serially on June 1, 2020 through 2029, with a net interest cost of 4.359803%. The net proceeds of \$15,126,871.75, including a premium of \$2,156,882.60 and net of payments of \$58,010.85 in underwriting fees and \$67,000.00 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the Borough's financial statements. As a result of the advance refunding, the Borough had an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$814,449.93.

\$2,525,000.00 Taxable General Obligation Refunding Bonds Series 2016 dated April 27, 2016, payable in annual installments through June 1, 2029. The Refunding Bonds were issued with a net interest costs of 3.146259% to advance refund \$2,109,000.00 Taxable General Obligation Bonds, Series 2009, maturing serially on June 1 in the years 2020 through 2029 with a net interest cost of 6.165349%. The net proceeds of \$2,500,814.25, net of payments of \$11,185.75 in underwriting fees and \$13,000.00 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the Borough's financial statements. As a result of the advance refunding, the Borough had an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$159,323.43.

As of December 31, 2018, debt service requirements on long-term debt in future years are:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
2019	\$ 2,085,000.00	\$ 686,794.49	\$ 2,771,794.49
2020	2,160,000.00	600,969.26	2,760,969.26
2021	2,230,000.00	518,566.81	2,748,566.81
2022	1,720,000.00	451,605.16	2,171,605.16
2023	1,505,000.00	390,391.76	1,895,391.76
2024-2028	7,175,000.00	1,066,634.48	8,241,634.48
2029-2031	1,770,000.00	47,806.60	1,817,806.60
	<u>\$ 18,645,000.00</u>	<u>\$ 3,762,768.56</u>	<u>\$ 22,407,768.56</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
2019	\$ 144,150.00	\$ 66,053.00	\$ 210,203.00
2020	149,100.00	59,448.76	208,548.76
2021	157,000.00	52,575.00	209,575.00
2022	163,900.00	45,884.50	209,784.50
2023	129,800.00	38,261.50	168,061.50
2024-2028	761,100.00	91,022.25	852,122.25
	<u>\$ 1,505,050.00</u>	<u>\$ 353,245.01</u>	<u>\$ 1,858,295.01</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
2019	\$ 75,850.00	\$ 40,979.50	\$ 116,829.50
2020	77,900.00	37,515.00	115,415.00
2021	82,000.00	33,927.50	115,927.50
2022	86,100.00	30,565.50	116,665.50
2023	90,200.00	26,588.50	116,788.50
2024-2028	528,900.00	63,252.75	592,152.75
	<u>\$ 940,950.00</u>	<u>\$ 232,828.75</u>	<u>\$ 1,173,778.75</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Water Operating Fund			
2019	\$ 82,812.66	\$ 17,950.00	\$ 100,762.66
2020	82,812.66	16,750.00	99,562.66
2021	82,812.66	15,550.00	98,362.66
2022	82,812.66	14,350.00	97,162.66
2023	82,812.66	13,150.00	95,962.66
2024-2028	382,637.55	44,050.00	426,687.55
2029-2032	211,552.41	13,050.00	224,602.41
	<u>\$ 1,008,253.26</u>	<u>\$ 134,850.00</u>	<u>\$ 1,143,103.26</u>

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Sewer Operating Fund			
2019	\$ 139,119.82	\$ 11,850.00	\$ 150,969.82
2020	137,212.00	8,350.00	145,562.00
2021	59,045.86	4,800.00	63,845.86
2022	37,762.70	3,550.00	41,312.70
2023	25,971.13	3,150.00	29,121.13
2024-2028	55,000.00	9,850.00	64,850.00
2029	15,000.00	600.00	15,600.00
	<u>\$ 469,111.51</u>	<u>\$ 42,150.00</u>	<u>\$ 511,261.51</u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.215%.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 12,295,000.00	\$ 12,295,000.00	
Water Debt	5,903,303.26	5,903,303.26	
Sewer Debt	1,590,061.51	1,590,061.51	
General Debt	23,653,000.00		\$ 23,653,000.00
	<u>\$ 43,441,364.77</u>	<u>\$ 19,788,364.77</u>	<u>\$ 23,653,000.00</u>

Net Debt \$23,653,000.00/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$1,067,660,283.67 = 2.215%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 37,368,109.93
Net Debt	23,653,000.00
Remaining Borrowing Power	<u>\$ 13,715,109.93</u>

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

Cash Receipts From Fees, Rents, or Other Charges	\$ 3,153,177.52
Deductions:	
Operating and Maintenance Costs	\$ 1,972,000.00
Debt Service Per Water Account	<u>786,981.94</u>
	2,758,981.94
Excess in Revenue	<u>\$ 394,195.58</u>

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

Cash Receipts From Fees, Rents, or Other Charges	\$ 2,288,190.49
Deductions:	
Operating and Maintenance Costs	\$ 1,494,000.00
Debt Service Per Sewer Account	<u>505,677.33</u>
	1,999,677.33
Excess in Revenue	<u>\$ 288,513.16</u>

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

Cash Receipts From Fees, Rents or Other Charges	\$ 301,345.81
Deductions:	
Operating and Maintenance Costs	\$ 191,500.00
Debt Service Per Parking Account	<u>None</u>
	191,500.00
Excess in Revenue	<u>\$ 109,845.81</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13: PENSION FUNDS**

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

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

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

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

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

**Funding Policy** -The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS provide for employee contributions of 7.34% to 7.5% as of July 1, 2018, of employees' annual compensation, as defined. The PFRS provides for employee contributions of 10% thereafter of employees' annual compensation, as defined.



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)** - Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The PERS and PFRS rates in effect for 2018 are 13.37% and 27.35%, respectively, of covered payroll, as reported on June 30, 2017. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Borough payment to the PERS for the years ending December 31, 2018, 2017, and 2016 were \$351,497.08, \$311,789.00, and \$ 328,295.00, respectively, equal to the required contributions for each year. The Borough payments to the PFRS for the years ending December 31, 2018, 2017, and 2016, for Police were \$506,168.84, \$450,544.00, and \$456,427, respectively, equal to the required contributions for each year. The Borough payments to the PFRS for the years ending December 31, 2018, 2017, and 2016, for Fire, were \$347,369.74, \$314,319.00 and \$304,040.

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

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

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

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)** - Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of the PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of the PERS to 1/60th from 1/55th, and it provided that new members of the PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of the PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PERS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal years 2012.

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

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

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

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

**Public Employee's Retirement System** - At December 31, 2018, the Borough's liability of \$7,002,931 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018 and 2017, the Borough's proportion was 0.03556683% and 0.0339466006%, respectively.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)** - For the year ended December 31, 2018, the Borough's pension expense would be \$457,140 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,684,045
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		42,910
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	\$ 448,778	
Difference Between Expected and Actual Experience Contributions Subsequent to the Measurement Date	353,775	17,780
	\$ 802,553	\$ 1,744,735

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles:

Year Ended	Amount
June 30	
2019	\$ (64,484)
2020	(202,915)
2021	(536,343)
2022	(370,230)
2024	(121,985)
Thereafter	0
	\$ (1,295,957)

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

	June 30, 2018	June 30, 2017
Collective Deferred Outflows of Resources	\$ 4,684,852,302	\$ 5,396,431,901
Collective Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Collective Net Pension Liability	19,689,501,539	23,278,401,588
 Borough's Proportion	 0.0355668300%	 0.0339466006%

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% Based on Age
Thereafter	2.65 – 5.15% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Tables for male and female active participants. For local employees, mortality tables are setback 2 years for males and 7 years for females. In addition, the table provides for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

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

At December 31, 2018, the Borough's liability of \$7,076,685 for its proportionate share of the net pension liability for Police (Location 25801). The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018 and 2017, the Borough's proportion was 0.0522972838% and 0.0513105683%, respectively.

For the year ended December 31, 2018, the Borough's pension expense would be \$110,451 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,808,575
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		29,397
Differences Between Expected and Actual Experience	\$ 71,863	
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	489,794	
Contributions Subsequent to the Measurement Date	511,283	
	\$ 1,072,940	\$ 1,837,972

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen's Retirement System (Continued)**

Year Ended June 30,	Amount
2019	\$ (96,608)
2020	(259,911)
2021	(544,571)
2022	(299,415)
2023	(75,810)
Thereafter	0
	<u>\$ (1,276,315)</u>

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

	June 30, 2018	June 30, 2017
Collective Deferred Outflows of Resources	\$ 1,988,215,695	\$ 2,298,433,198
Collective Deferred Inflows of Resources	4,286,994,294	2,618,912,538
Collective Net Pension Liability	<u>13,531,648,591</u>	<u>17,167,260,198</u>
 Borough's Proportion	 0.0522972838%	 0.0513105683%

At December 31, 2018, the Borough has a liability of \$5,019,049 for its proportionate share of the net pension liability for Fire (Location 25802). The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018 and 2017, the Borough's proportion was 0.0370911870% compared to 0.0365583336%, respectively.

For the year ended December 31, 2018, the Borough's pension expense would be \$491,191 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen's Retirement System (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 1,276,507
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		49,386
Differences Between Expected and Actual Experience	\$ 50,881	
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	54,574	
Contributions Subsequent to the Measurement Date	362,621	
	\$ 468,076	\$ 1,325,893

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended June 30,	Amount
2019	\$ (16,609)
2020	(241,056)
2021	(537,253)
2022	(326,116)
2023	(99,404)
Thereafter	0
	\$ (1,220,438)

Additional information – Collective balances at June 30, 2018 and 2017, are as follows:

	June 30, 2018	June 30, 2017
Collective Deferred Outflows of Resources	\$ 1,988,215,695	\$ 2,298,433,198
Collective Deferred Inflows of Resources	294	2,618,912,538
Collective Net Pension Liability	13,531,648,591	17,167,260,198
 Borough's Proportion	 0.0370911870%	 0.0365583336%

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Contributions**

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10 – 8.98% Based on Age
Thereafter	3.10 – 9.98% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified projection scale thereafter. For Pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

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

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The June 30, 2018 and June 30, 2017, special funding situation net pension liability amounts of \$961,251 and \$887,259 for Police and \$681,755 and \$632,164 for Fire, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 15: POSTEMPLOYMENT BENEFITS**

**Plan Description** - The Borough of Collingswood contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2013, the Borough of Collingswood authorized participation in the SHBP's post-retirement benefit program through resolution 2013-83, adopted May 6, 2013, effective August 1, 2013. The Borough's policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit. The Borough also offers vision and dental coverage to the retirees and their spouses.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: <http://www.state.nj.us/treasury/pensions/hb-employers.shtml>.

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

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

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

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

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

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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 15: POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

Contributions to pay for the health premiums of participating retirees in the SHBP, are billed to the Borough of Collingswood on a monthly basis. Plan members receiving benefits are not required to make contributions.

The Borough of Collingswood's contributions to the SHBP for healthcare of active employees and retirees for the years ended December 31, 2018, 2017, and 2016, were \$2,398,223.78, \$2,434,688.43, and \$2,377,517.98. The amounts paid for retirees for the years ended December 31, 2018, 2017, and 2016, were \$981,313.05, \$947,910.86, and \$909,828.28, respectively, which equaled the required contributions for each year. There were approximately forty-nine, forty-seven and fifty participants eligible at December 31, 2017, 2016, and 2015, respectively.

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net other post-employment benefit (OPEB) liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 75 information in the Notes to the Financial Statements. The following OPEB liability note information is reported at the State's level and is not specific to the municipality. The following disclosures meet the requirements of GASB 75 for the PERS and PFRS retirement systems.

**Actuarial Assumptions**

The total OPEB liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (PERS):	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Salary increases (PFRS):	
Through 2026	2.10 – 8.98% based on age
Thereafter	3.10 – 9.98% based on age
Discount Rate	3.87%

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - The Police and Firemen Retirement System (PFRS) and the Public Employees Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively. 100% of active members are considered to participate in the Plan upon retirement.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Changes in the Total Net OPEB Liability reported by the State of New Jersey:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

**Total OPEB Liability**

Service Cost	\$ 896,235,148
Interest	764,082,232
Changes of Benefit Terms	0
Differences Between Expected and Actual Experience	(3,626,384,047)
Changes in Assumptions or Other Inputs	(2,314,240,675)
Benefit Payments	(421,621,253)
Contributions - Members	53,987,166
Net Change in OPEB Liability	<u>(4,647,941,429)</u>
Total OPEB Liability Beginning	<u>20,629,044,656</u>
Total OPEB Liability Ending	<u><u>\$ 15,981,103,227</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 421,194,662
Contributions - Non-Employer Contributing Entities	53,548,285
Contributions - Members	53,987,166
Net Investment Income	2,320,422
Benefit Payments	(421,621,253)
Administrative Expense	(8,200,113)
Net Change in Plan Fiduciary Net Position	<u>101,229,169</u>
Plan Fiduciary Net Position Beginning	<u>213,255,917</u>
Plan Fiduciary Net Position Ending	<u><u>\$ 314,485,086</u></u>

Net OPEB Liability Ending	<u><u>\$ 15,666,618,141</u></u>
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here were no changes in benefit terms during the year.

Differences Between Expected and Actual Experiences: The decrease in the liability from June 30, 2017 to June 30, 2018, is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2017 to June 30, 2018, is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, and a decrease in the assumed health care cost trend and excise tax assumptions.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following represents the collective net OPEB liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate.

	1% Decrease 2.87%	Current Rate 3.87%	1% Increase 4.87%
Net OPEB Liability	\$ 18,381,085,096	\$ 15,666,618,141	\$ 13,498,373,388

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate: The following presents the net OPEB liability as of June 30, 2018, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Health Care Costs		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	\$ 13,068,471,450	\$ 15,666,618,141	\$ 19,029,006,023

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

At December 31, 2018, the Borough would have reported a liability of \$23,599,097 for its proportionate share of the net OPEB liability if New Jersey municipalities followed GAAP accounting principles. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2018 and 2017, the Borough's proportion was .150633% and .146783%, respectively.

For the year ended December 31, 2018, the Borough would have recognized net OPEB expense of \$918,467 if New Jersey municipalities followed GAAP accounting principles. The Borough's deferred outflows of resources and deferred inflows of resources (which are not recorded) are from the following sources:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 16: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual		
Investment Earnings	\$ 12,471	
Changes in Assumptions		\$ 5,986,220
Difference in Expectations		4,791,458
Changes in Proportions		1,407,321
	\$ 12,471	\$ 12,184,999

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
2019	\$ (1,831,362)
2020	(1,831,362)
2021	(1,831,363)
2022	(1,832,646)
2023	(1,834,801)
Thereafter	(3,010,994)
	\$ (12,172,528)

**Special Funding Situation**

A special funding situation exists for some local employers of the Police and Firefighters Retirement System who do not pay for health benefits coverage for their retired employees. Under Chapter 330, P.L. 1997, certain retired local police officers and firefighters are eligible for enrollment in the State Health Benefits Program with part of the cost paid by the State. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The State is treated as a nonemployer contributing entity. Since the local participating employer does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report. At December 31, 2018 and 2017, the Borough's proportion was .003519% and .003593%, respectively. The Borough's proportionate share of the State's collective net OPEB liability at December 31, 2018 and 2017, was \$218,665 and \$312,426, respectively.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 17: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance**

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

Year	Interest Earnings	Employee Contributions	Employer Contribution	Amount Reimbursed	Balance Dec. 31
2018	\$ 214.85	\$ 11,076.19		\$ 5,253.10	\$ 52,734.33
2017	104.87	10,877.53		4,683.10	46,696.39
2016	95.54	10,412.84		4,898.14	40,397.09

**NOTE 18: LABOR CONTRACTS**

As of December 31, 2018, the majority of the Borough's employees are organized in the following collective bargaining units. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Teamsters Local 830	Public Works, Clerical	12/31/2018	All Employees in Public Works and Clerical Workers Excluding Supervisors
FOP Lodge #76	Police	12/31/2018	All Uniformed Police Excluding Officers
FOP Lodge #76	Police	12/31/2019	Superior Officers
FMBA Local 108	Fire	12/31/2019	All Uniformed Fire Fighters Excluding Officers
FMBA Local 108A	Fire	12/31/2019	Fire Officers

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 19: DEFERRED COMPENSATION**

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

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

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

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

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

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

On May 8, 2018, the Borough of Collingswood entered into a shared service agreement with the Merchantville Pennsauken Water Commission to operate the Borough's water supply system effective June 1, 2018, for five years. Payments are required to be paid quarterly.

**NOTE 21: CAPITAL LEASE OBLIGATIONS**

The Borough has lease agreements in effect at December 31, 2018, for police cars which are funded by Ford Motor Credit at an interest rate from 6%-6.5%. Future minimum lease payments under capital lease agreements are as follows:



**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 21: CAPITAL LEASE OBLIGATIONS (CONTINUED)**

Year Ended December	Principal	Interest	Total
2019	\$ 51,709.87	\$ 5,185.46	\$ 56,895.33
2020	29,884.85	1,942.46	31,827.31
	<u>\$ 81,594.72</u>	<u>\$ 7,127.92</u>	<u>\$ 88,722.64</u>

**NOTE 22: OPERATING LEASES**

The Borough has commitments to lease copiers for various offices, with terms of 36 months. The monthly lease payments range from \$ \$84.00 to \$179.00 per month. Future lease payments are as follows:

Year Ended December	Payments
2019	\$ 3,156.00
2020	2,261.00
2021	252.00
	<u>\$ 5,669.00</u>

**NOTE 23: LOAN TO REDEVELOPER**

On August 4, 2003, the Borough of Collingswood adopted Bond Ordinance 1322 providing for a \$5,000,000.00 loan to a redeveloper, Collingswood Foundation for the Arts, for improvements to Scottish Rite Auditorium pursuant to Section 37 of the Local Redevelopment and Housing Law NJSA 40A:12A-1 et seq. This loan was to the Collingswood Foundation for the Arts, a New Jersey non-profit corporation, for the purpose of renovations of the Scottish Rite Auditorium as a performing arts and community theater center. The amount owed to the Borough of Collingswood as of December 31, 2018 and 2017, is \$4,992,466.33 and \$4,992,466.33, respectfully. No payment plan has been established as of the date of the audit.

In 2010, the Borough of Collingswood authorized debt with the passage of Bond Ordinances 1480 and 1486, which provides funding for the Lumberyard Redevelopment Project pursuant to the Local Redevelopment & Housing Law, constituting Chapter 79 of the Laws of 1992 as amended and supplemented by NJSA 40A:12-37. This loan was to the Lumberyard Redevelopment LLC, for the purpose of renovations of the Lumberyard Project. As of December 31, 2018 and 2017, there is a Loan Receivable in the General Capital Fund from Lumberyard Redevelopment LLC, for \$1,300,000.00.

On August 1, 2016, the Borough of Collingswood under a Redeveloper Agreement provided for a Mortgage Note to a business, Art Pastry LLC, for costs associated with PSE&G installation and startup of a gas line for \$5,600.00, at 2% per annum, with quarterly payments and a due date of September 1, 2018. The mortgage owed to the Borough of Collingswood as of December 31, 2018 and 2017, is \$0 and \$1,700.00, respectfully.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 24: GUARANTEE OF THIRD PARTY INDEBTEDNESS (NJSA 40A:12A-67(f))**

**Collingswood Partners, Inc.**

The Borough of Collingswood is contingently liable as a guarantor for Collingswood Partners, Inc., a Special Improvement District (NJSA 40:56 et seq.); with respect to the New Jersey Department of Community Affairs program Downtown Business Improvement Loan Fund in an amount not exceeding \$500,000.00. This is a fifteen year loan at 0% interest. This loan was for funding of the Lumberyard project. The Borough paid \$33,333.00 during 2018 and 2017 towards the loan. The loan balance at December 31, 2018 and 2017, is \$135,335.00 and \$168,668.00, respectively.

**NOTE 25: TAX ABATEMENT PROGRAM**

The Borough entered into long-term property tax abatement agreements (in excess of 5 year term) under the provisions of the New Jersey statutes as described below to promote and stimulate redevelopment and rehabilitation.

NJSA 40A:12A-1 et seq. "The Local Redevelopment and Housing Law" (LRHL), which designates "areas in need of redevelopment" as defined in the statute.

NJSA 40A:20-1 et seq. "Long Term Tax Exemption Law," which provides for long term tax exemption for the LRHL designated areas. The statutes were utilized by the Borough to attract redevelopers.

For the fiscal year ended December 31, 2018, the Borough abated property taxes totaling \$1,393,140.42. The following agreements were in effect as of December 31, 2018, under the provisions of the aforementioned statutes:

- A 40% property tax abatement to rehabilitate six deteriorated and neglected two story apartment buildings containing 84 residential housing units. The abatement amounted to \$84,888.80.
- A 60% property tax abatement to rehabilitate the former Sutton Towers. The abatement amounted to \$973,932.43.
- A 40% property tax abatement to complete 34 partially constructed residential units. The abatement amounted to \$44,512.80.
- A 6% property tax abatement to complete 70 partially constructed residential units. The abatement amounted to \$8,268.00.
- An 86.4% property tax abatement to continue to redevelop and renovate a commercial building located at 756 Haddon Avenue which is in a redevelopment area. The abatement amounted to \$58,812.74.
- A 70.03% property tax abatement for a Non-Profit entity dedicated to helping those in need rebuild their lives and reach their potential. The abatement amounted to \$32,682.49.
- An 87.97% property tax abatement for a public housing entity dedicated to providing housing to senior citizens and disabled individuals. The abatement amounted to \$190,043.16.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 25: TAX ABATEMENT PROGRAM (CONTINUED)**

The Borough entered into tax abatement agreements under the provisions of NJSA 40A:21-1 et seq. "The Five-Year Exemption and Abatement Law." For the fiscal year ended December 31, 2018, property taxes abated by the Borough under this law totaled \$30,405.07. The following is a summary of the agreements:

- A 27.41% property tax abatement to further redevelop property commonly known as 204 White Horse Pike for the construction and operation of a commercial medical office. The abatement amounted to \$5,896.01.
- A 41.76% property tax abatement for nine individual condo units known as the Lumberyard. The abatement amounted to \$24,509.06.

**NOTE 26: COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE 27: SUBSEQUENT EVENTS**

On March 19, 2019, the Board of Commissioners issued a Bond Anticipation Note in the amount of \$12,900,000.00. This note renewed \$6,150,000.00 of previously issued notes and \$6,750,000.00 in new funds of that amount, \$750,000.00 was authorized but not issued as of December 31, 2018, and \$6,000,000.00 in debt authorized in 2019.

Management has reviewed and evaluated all event and transactions that occurred between December 31, 2018 and August 2, 2019, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no additional items have come to the attention of the Borough that would require disclosure.

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**APPENDIX C**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS**

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## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this 12th day of March, 2020 between the Borough of Collingswood, County of Camden, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Bonds, Series 2020, in the aggregate principal amount of \$19,752,000 ("Bonds").

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

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

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

**"Commission"** shall have the meaning set forth in Section 1 of this Disclosure Agreement

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

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

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

**"EMMA"** shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

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

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

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

**"Official Statement"** shall mean the Official Statement of the Borough, dated February 26, 2020, relating to the Bonds.

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

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

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

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough (commencing for the fiscal year ending December 31, 2020). Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

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



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

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation<sup>1</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The Borough shall within eight (8) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borough may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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<sup>1</sup> The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(c) If the Dissemination Agent has been instructed by the Borough to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within two (2) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Borough.

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

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borough may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Borough shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

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

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

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

(i) If to the Borough:

Borough of Collingswood  
678 Haddon Avenue  
Collingswood, New Jersey 08108  
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors, LLC  
625 Farnsworth Avenue  
Bordentown, New Jersey 08505  
Attention: Sherry L. Tracey, Senior Managing Director

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF COLLINGSWOOD, NEW JERSEY**

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

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

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

**EXHIBIT A**

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

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

Name of Bond Issues Affected: General Obligation Bonds, Series 2020

Date of Issuance of the Affected  
Bond Issue: March 12, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated March 12, 2020, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_.]

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

PHOENIX ADVISORS, LLC,  
as Dissemination Agent

cc: Borough of Collingswood, New Jersey

**APPENDIX D**

**FORM OF BOND COUNSEL OPINION FOR THE BONDS**

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March 12, 2020

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

**RE: \$19,752,000 BOROUGH OF COLLINGSWOOD, COUNTY OF CAMDEN,  
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2020**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$19,752,000 aggregate principal amount of General Obligation Bonds, Series 2020 ("Bonds"), by the Borough of Collingswood, County of Camden, New Jersey ("Borough"). The Bonds consist of: (i) \$13,152,000 General Improvement Bonds; (ii) \$3,800,000 Water Utility Bonds; and (iii) \$2,800,000 Sewer Utility Bonds.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 1564; 1590; 1607; 1608, as amended by 1646; 1621; 1655; and 1656 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Board of Commissioners ("Board") and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board on February 3, 2020 ("Resolution"); and (iv) a Certificate of Determination and Award, executed by the Chief Financial Officer of the Borough on February 26, 2020 ("Award Certificate").

The Bonds are dated March 12, 2020, mature on March 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rate per annum below, payable semi-annually on March 1 and September 1, commencing March 1, 2021, in each year until maturity or earlier redemption.

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<u>Year</u>	<u>General Improvement Amount</u>	<u>Water Utility Amount</u>	<u>Sewer Utility Amount</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2021	\$367,000	\$120,000	\$90,000	\$577,000	1.250%
2022	365,000	120,000	90,000	575,000	1.500
2023	515,000	120,000	90,000	725,000	2.000
2024	415,000	120,000	90,000	625,000	2.000
2025	715,000	120,000	90,000	925,000	2.000
2026	715,000	120,000	90,000	925,000	2.000
2027	715,000	120,000	90,000	925,000	2.000
2028	715,000	120,000	90,000	925,000	2.000
2029	720,000	240,000	180,000	1,140,000	2.000
2030	720,000	240,000	180,000	1,140,000	2.000
2031	720,000	240,000	180,000	1,140,000	2.000
2032	720,000	240,000	180,000	1,140,000	2.000
2033	720,000	240,000	180,000	1,140,000	2.000
2034	720,000	240,000	180,000	1,140,000	2.000
2035	720,000	240,000	180,000	1,140,000	2.000
2036	720,000	240,000	180,000	1,140,000	2.000
2037	720,000	240,000	180,000	1,140,000	2.000
2038	720,000	240,000	180,000	1,140,000	2.000
2039	720,000	240,000	180,000	1,140,000	2.125
2040	710,000	200,000	100,000	1,010,000	2.125

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

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

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

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

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



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

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

3. Interest on the Bonds will not be includible for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

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

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

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

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



36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

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

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

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

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

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

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

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

Very truly yours,

**APPENDIX E**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, 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 Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

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 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 AGM 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM 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 AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

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

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100