

OFFICIAL STATEMENT DATED JUNE 30, 2020**NEW ISSUE****Ratings: BAM Insured: S&P: "AA"****Underlying: Moody's: "A1"****(See "RATINGS" herein)**

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board (as defined herein) with certain covenants described herein, interest on the Bonds (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX MATTERS" herein.

**THE BOARD OF COMMISSIONERS OF FIRE DISTRICT NO. 1 IN THE
TOWNSHIP OF RIVERSIDE, IN THE COUNTY OF BURLINGTON, NEW JERSEY
\$3,500,000 FIRE DISTRICT BONDS, SERIES 2020
(Book-Entry Issue) (Callable) (Bank Qualified)**

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

The \$3,500,000 Fire District Bonds, Series 2020 (the "Bonds") of The Board of Commissioners of Fire District No. 1 in the Township of Riverside, in the County of Burlington, New Jersey (the "Board" when referring to the governing body and the "Fire District" when referring to the legal entity governed by the Board), will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository (the "Securities Depository"). See "THE BONDS - Book-Entry-Only System" herein.

Interest on the Bonds will be payable semiannually on the first day of January and July in each year until maturity or earlier redemption, commencing January 1, 2021. The principal of and the interest on the Bonds will be paid to DTC by the Fire District as paying agent. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding December 15 and June 15 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities. See "THE BONDS - Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM")**. See "BOND INSURANCE" herein.



The Bonds are valid and legally binding obligations of the Fire District and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the Fire District for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2021	\$125,000	2.000%	0.400%	76930CAA6	2031	\$175,000	2.250%	1.700%**	76930CAL2
2022	130,000	2.000	0.550	76930CAB4	2032	180,000	2.250	1.800**	76930CAM0
2023	135,000	2.000	0.700	76930CAC2	2033	185,000	2.250	1.900**	76930CAN8
2024	140,000	2.125	0.850	76930CAD0	2034	190,000	2.250	2.000**	76930CAP3
2025	145,000	2.125	1.000	76930CAE8	2035	200,000	2.250	2.050**	76930CAQ1
2026	150,000	2.125	1.150	76930CAF5	2036	205,000	2.250	2.100**	76930CAR9
2027	155,000	2.125	1.300	76930CAG3	2037	210,000	2.250	2.150**	76930CAS7
2028	160,000	2.125	1.400**	76930CAH1	2038	220,000	2.250	2.200**	76930CAT5
2029	165,000	2.125	1.500**	76930CAJ7	2039	225,000	2.250	2.250	76930CAU2
2030	170,000	2.125	1.600**	76930CAK4	2040	235,000	2.250	2.300	76930CAV0

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

The Bonds are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey and certain other conditions described herein. Certain legal matters will be passed upon for the Fire District by its Counsel, Sendzik & Sendzik, P.C., Brick, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the Fire District in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in Jersey City, New Jersey on or about July 14, 2020.

ROOSEVELT & CROSS, INC. AND ASSOCIATES

* 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 Fire District 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.

** Priced at the stated yield to the first optional redemption date of July 1, 2027 at the redemption price of 100%.

**THE BOARD OF COMMISSIONERS OF
FIRE DISTRICT NO. 1 IN THE
TOWNSHIP OF RIVERSIDE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY**

BOARD OF COMMISSIONERS

Richard G. Horton – Chairman
Lawrence W. Winkelspecht, Jr. – Vice Chairman
Robert T. Miller – Clerk
George F. Conrad, Jr. – Assistant Secretary/Treasurer
Lester W. Kemble – Treasurer
Donald E. Nesbitt – Fire District Administrator

FIRE DISTRICT ATTORNEY

Sendzik & Sendzik, P.C.
Brick, New Jersey

AUDITOR

Brent W. Lee & Co., LLC
Cinnaminson, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Fire District 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 foregoing. The information contained herein has been provided by the Fire District 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 the Fire District as to information from sources other than itself. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Fire District from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Fire District.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Fire District since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY 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 Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson 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 Fire District.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

Neither Wilentz, Goldman & Spitzer, P.A. nor the Underwriter has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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

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OFFICIAL STATEMENT
Relating to

**THE BOARD OF COMMISSIONERS OF FIRE DISTRICT NO. 1 IN THE TOWNSHIP OF
RIVERSIDE, IN THE COUNTY OF BURLINGTON, NEW JERSEY**

\$3,500,000 FIRE DISTRICT BONDS, SERIES 2020
(Book-Entry Issue) (Callable) (Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Commissioners of Fire District No. 1 in the Township of Riverside (the "Board" when referring to the governing body and the "Fire District" when referring to the legal entity governed by the Board), in the County of Burlington (the "County"), State of New Jersey (the "State"), in connection with the sale and the issuance of \$3,500,000 Fire District Bonds, Series 2020 (the "Bonds"). This Official Statement has been executed by and on behalf of the Fire District by its Chairman and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

THE BONDS

General Description

The Bonds shall be dated their date of issuance and will mature on July 1 in the years and in the principal amounts as set forth on the front cover page hereof. The Bonds shall bear interest from their date, payable semiannually on each January 1 and July 1 (each, an "Interest Payment Date"), commencing January 1, 2021, in each year until maturity or earlier redemption, at the interest rates shown on the front cover page hereof. Interest on the Bonds shall be computed on a 30-day month/360-day year basis.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of Bonds and in the principal amount of such maturity. The Bonds may be purchased in book-entry only form in the amount of any integral multiple of \$1,000 with a minimum purchase of \$5,000 required through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC") and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Fire District directly to Cede & Co. (or any successor or assign), as nominee for DTC. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding December 15 and June 15 (the "Record Dates" for the payment of interest on the Bonds). See "Book-Entry Only System" herein.

Redemption

The Bonds of this issue maturing prior to July 1, 2028 are not subject to optional redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 1, 2028 shall be subject to redemption at the option of the Fire District, in whole or in part, on any date on or after July 1, 2027, upon notice as required herein, at a price equal to one hundred percent (100%) of the principal amount thereof being redeemed (the "Redemption Price"), plus unpaid accrued interest to the date fixed for redemption.

Notice of Redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the Owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, such Notice of Redemption shall be sent directly to such depository and not to the Beneficial Owners of the Bonds. Any failure of the depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on and after such redemption date.

Book-Entry-Only System¹

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Fire District.

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks,

¹ Source: The Depository Trust Company

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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by 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 shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity 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 Board 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 principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Board, subject to any statutory or regulatory

requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the 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 Board 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 Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

THE BOARD WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC 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.

Discontinuation of Book-Entry Only System

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

BOND INSURANCE

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will

only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$459.6 million, \$126.1 million and \$333.5 million, respectively.

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

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

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

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

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding general obligations of the Fire District, and the Fire District has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Fire District is required by law to levy *ad valorem* taxes upon all the real property taxable within the Fire District for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Statutory Debt Limitation

The authorized bonded indebtedness of the Fire District is limited by N.J.S.A. 40A:14-86 to an amount not exceeding two percent (2%) of the assessed valuation of all taxable property in the Fire District. The assessed valuation of the taxable property in the Fire District, as of December 31, 2019, is included in Appendix A hereto. The Bonds offered hereby are included in the computation of debt for the purpose of the statutory debt limit. The issuance of the Bonds will not cause the Fire District's indebtedness to exceed the statutory debt limit.

THE FIRE DISTRICT

The governing body of any municipality which does not have a paid or part-time fire department may, upon application of at least five percent (5%) of the registered voters or at least twenty (20) voters, whichever is greater, by ordinance, designate a territorial location (or locations) for use as a fire district(s). The Fire District coterminous with the borders of the Township of Riverside (the "Township" and is the only fire district located in the Township. The Fire District provides fire prevention, protection and suppression services to approximately 8,500 residents in the 1.8 square mile Township. The Fire District has approximately thirty-six (36) active members and sixty (60) exempt members. See Appendix A for more information concerning the Fire District.

AUTHORIZATION FOR THE BONDS

The Bonds have been authorized and are being issued pursuant to: (i) the proposal adopted by the Board and approved by the affirmative vote of a majority of the legal voters present and voting at a special election held on July 13, 2019 pursuant to Title 40A, Chapter 14 of the State Statutes, and (ii) a resolution adopted by the Board on April 22, 2020 (the “Resolution”). The Board received positive findings from the Local Finance Board, a State regulatory agency, on February 12, 2020.

Proceeds from the sale and issuance of the Bonds, along with other available budgetary funds of the Board, will be used by the Board to: (i) finance the Project (as described herein) and (ii) pay the costs in connection with the authorization, sale and issuance of the Bonds.

Local Authorities Fiscal Control Law

The Fire District is regulated by the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq. (the “Act”). The Act regulates the local financial operations and debt of independent local authorities and special taxing districts, such as the Fire District. The purpose of the Act, according to the Senate, County and Municipal Government Committee Statement that accompanied Assembly Bill No. 344, was to strengthen the credit standing of municipalities, counties and independent financing authorities by extending a proven system of financial regulation to what was a largely unregulated area of local debt financing.

The Act assigns financial control responsibilities over fire districts to the Local Finance Board and the Director of Local Government Services in the State Department of Community Affairs. The Local Finance Board reviews, conducts hearings, and issues findings and recommendations on any proposed project financing of a fire district and on any financing agreement between a local government unit and a fire district. The Local Finance Board also prescribes minimum audit requirements to be followed by fire districts in the conduct of their annual audits. The Director of Local Government Services also reviews and approves annual budgets of fire districts.

The Act provides a mechanism for addressing unsound financial conditions of fire districts. If the Director of the Division of Local Government Services finds that a fire district is faced with financial difficulties, he/she is to schedule a hearing before the Local Finance Board. If the Local Finance Board determines that a serious continuing financial difficulty exists, and that a fire district has not undertaken a remedial plan, the Local Finance Board may order implementation of a financial plan. The financial plan shall assure the payment of debt service or provide relief from undue financial burdens on residents of the fire district or users of the fire district’s services and facilities.

State Supervision

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

PURPOSE OF THE BONDS

The Project consists of renovations, an addition and on and off site improvements to the existing Riverside Fire House located at 4 West Scott Street in the Township.

RECENT HEALTHCARE DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including the State, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State, the Township and the Fire District (collectively, the “Affected Entities”).

The degree of any such impact to the Affected Entities’ respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest on the Bonds to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board will represent in its tax certificate relating to the Bonds, that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board (“Bond Counsel”), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax.

Original Issue Premium

The Bonds maturing on July 1 in the years 2021 through 2038 (collectively, the “Premium Bonds”) were purchased at a premium (“original issue premium”) over the stated principal amounts of the Bonds. For Federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser’s basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the

Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.

Original Issue Discount

Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bond maturing on July 1 in the year 2040 (the “Discount Bond”) and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bond of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holders of the Discount Bond, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bond is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bond should consult their tax advisors for an explanation of the original issue discount rules.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bank Qualification

The Bonds will be designated as qualified under Section 265 of the Code by the Board for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

State Taxation

Bond Counsel is further of the opinion that, under existing laws of the State, interest on the Bonds and any gain realized on the sale of the Bonds are not includable in gross income under the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., as amended.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative

pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisers regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of delivery of the Bonds and assumes no obligation to update its opinion after such date to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest paid or to be paid on the Bonds as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.

LITIGATION

To the knowledge of the Board Attorney, Sendzik & Sendzik, P.C., Brick, New Jersey (the "Board Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the title of any of the present officers. Moreover, to the knowledge of the Board Attorney, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a material adverse impact on the financial condition of the Board if adversely decided.

SECONDARY MARKET DISCLOSURE

The Board, pursuant to the Resolution, has covenanted for the benefit of holders of the Bonds and the beneficial holders of the Bonds to provide certain financial information and operating data of the Board each year and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed on behalf of the Board by its Treasurer, in the form appearing in Appendix D hereto. Such Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

This is the first time the Board will be obligated to provide secondary market disclosure pursuant to the Rule. The Board has appointed Phoenix Advisors, LLC to serve as continuing disclosure agent.

MUNICIPAL BANKRUPTCY

The undertakings of the Board should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale, and the delivery of the Bonds are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C hereto. Certain legal matters will be passed on for the Board by the Board Attorney.

UNDERWRITING

The Bonds have been purchased from the Board by Roosevelt & Cross, Inc. and Associates, New York, New York (the "Underwriter"), at a price of \$3,500,000.00 (consisting of the par amount of the Bonds plus a net original issue premium of \$86,360.70 and less an Underwriter's discount of \$86,360.70).

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 reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at yields higher than the public offering yields set forth on the front cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "A1" to the Bonds based upon the underlying creditworthiness of the Fire District. S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P", and together with Moody's, the "Rating Agencies") is also expected to assign its rating of "AA" to the Bonds subject to the issuance of the Policy by BAM at the time of the delivery of the Bonds. Explanation of the significance of the ratings may be obtained from the Rating Agencies. Such ratings reflect only the views of the Rating Agencies, and there is no

assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely by the Rating Agencies, if in the judgment of the Rating Agencies, circumstances so warrant. Any revision, downward change or withdrawal of the ratings may have an adverse effect on the marketability or market price of the Bonds. Except as set forth in the Continuing Disclosure Certificate, the Board has not agreed to take any action with respect to any proposed rating changes or to bring such rating changes, if any, to the attention of the owners of the Bonds.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Board with respect to the issuance of the Bonds (the "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.

FINANCIAL STATEMENTS

The financial statements of the Board for the year ended December 31, 2019 are presented in Appendix B to this Official Statement. The financial statements of the Board for the year ended December 31, 2019 were audited by Brent W. Lee & Co., LLC, independent auditors (the "Auditor"), as stated in its Independent Auditors' Report appearing in Appendix B hereto.

PREPARATION OF OFFICIAL STATEMENT

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

The Auditor takes responsibility for the audited financial statements to the extent specified in its Independent Auditor's Report.

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Municipal Advisor, Phoenix Advisors, LLC at 625 Farnsworth Avenue, Bordentown, New Jersey 08505, (609) 291-0130.

MISCELLANEOUS

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

**THE BOARD OF COMMISSIONERS OF FIRE
DISTRICT NO. 1 IN THE TOWNSHIP OF
RIVERSIDE IN THE COUNTY OF
BURLINGTON, NEW JERSEY**

By: /s/ *Richard G. Horton*
Richard G. Horton, Chairman

Dated: June 30, 2020

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APPENDIX A

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE FIRE DISTRICT AND THE TOWNSHIP OF RIVERSIDE

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INFORMATION REGARDING THE FIRE DISTRICT¹

General

The governing body of any municipality which does not have a paid or part-time fire department may, upon application of at least 5% of the registered voters or twenty (20) voters, whichever is greater, by ordinance designate a territorial location (or locations) for use as a fire district(s). In 1988, the governing body of the Township of Riverside (the “Township”), in the County of Burlington (the “County”), State of New Jersey (the “State”) adopted an ordinance creating the Riverside Township Fire District No. 1 (the “Fire District”) and establishing the Board of Commissioners of Fire District No. 1 of the Township of Riverside (the “Board”) to govern the territorial area to be served by the Fire District. The Riverside Fire Company No. 1 was founded in 1892.

The Fire District is coterminous with the borders of the Township and is the only fire district located within the Township. The Fire District provides fire prevention, protection and suppression services to approximately 8,500 residents in the 1.8 square mile Township. The service area is primarily comprised of residential housing units. In addition, the Fire District provides aid to the neighboring municipalities of Delran, Delanco, Cinnaminson, Palmyra, Beverly, Edgewater Park, and Moorestown.

The active membership is approximately 36 volunteer firefighters and 60 exempt members, who respond to approximately 300 calls per year. The fleet currently consists of two (2) engines, one (1) ladder, three (3) support vehicles, and one (1) command vehicle.

The mission of the Fire District is to reduce the loss of life and economic damage to a structure due to a fire and related emergencies through leadership, training, prevention and support to the citizens of the Township and mutual aid companies.

Organization and Structure

Fire districts are governed by N.J.S.A. 40A:14-70 et al. and are established as a taxing authority charged with the responsibility of providing the resources necessary to provide firefighting services, including fire prevention, extinguishments of fires, and regulation of fire hazards within its territorial location.

The Board, consisting of five (5) members, serves as the Fire District’s governing body and manages all operations of the Fire District. The length of each commissioner’s term is three (3) years. An annual election is held the third Saturday of February for the election of members of the Board, according to the expiration of the staggered terms. The current commissioners and their term dates are:

¹ Source: The Fire District, unless otherwise indicated.

Chairman – Richard G. Horton (March 2023)
Vice Chairman – Lawrence J. Winkelspecht, Jr. (March 2021)
Secretary – Robert T. Miller (March 2023)
Treasurer – George F. Conard, Jr. (March 2021)
Commissioner – Lester W. Kemble (March 2022)

The day-to-day operations of the Fire District are managed by the Clerk/Administrator Donald E. Nesbitt from the headquarters located at 4 West Scott Street, Riverside, New Jersey 08075. The fire station, which is currently owned by the Board, was originally built in 1926, with an addition in 1996.

The Fire District has its own budget, has taxing power and owns and maintains its own buildings and equipment. The budget and amount of taxes to be raised in support of the budget are included on the ballot for the annual election.

Fire District Financial Operations

The General Fund Revenues, Expenditures and Changes in Fund Balances for the Fire District for the past five (5) years are included below.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Amount to be Raised by Taxation	\$460,211	\$460,211	\$460,211	\$460,211	\$469,415
Interest on Investments	1,711	2,054	6,845	10,451	10,884
Miscellaneous Income	12	1,500	5,087	3,642	0
Supplemental Fire Safety	<u>0</u>	<u>5,830</u>	<u>2,915</u>	<u>2,915</u>	<u>2,915</u>
Total Revenues	461,934	469,595	475,058	477,219	483,214
EXPENDITURES					
Salaries & Employee Benefits	48,822	62,823	89,445	88,097	80,957
Services & Supplies	286,200	285,830	305,010	290,993	298,296
Capital Outlays	<u>0</u>	<u>21,869</u>	<u>81,819</u>	<u>11,003</u>	<u>130,335</u>
Total Expenditures	<u>335,022</u>	<u>370,522</u>	<u>476,274</u>	<u>390,093</u>	<u>509,588</u>
Net Change in Fund Balances	126,912	99,073	(1,216)	87,126	(26,374)
Fund Balance, January 1	<u>580,637</u>	<u>707,549</u>	<u>806,622</u>	<u>805,406</u>	<u>892,532</u>
Fund Balance, December 31	<u>\$707,549</u>	<u>\$806,622</u>	<u>\$805,406</u>	<u>\$892,532</u>	<u>\$866,158</u>

Source: Annual Audit Reports of the Fire District.

Fire District Budgets

The adopted budgets of the Fire District for the past five (5) years are included below.

<u>Anticipated Revenues</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Fund Balance Utilized	\$249,300	\$86,300	\$163,504	\$250,000	\$250,000
Interest Income	700	1,000	1,000	3,132	3,132
Amount to be Raised by Taxation	<u>460,211</u>	<u>460,211</u>	<u>460,211</u>	<u>469,415</u>	<u>469,415</u>
Total Revenue:	<u>\$710,211</u>	<u>\$547,511</u>	<u>\$624,715</u>	<u>\$722,547</u>	<u>\$722,547</u>
<u>Appropriations</u>					
Administration	\$212,353	\$214,653	\$227,307	\$219,139	\$221,077
Cost of Operations and Maintenance	240,658	243,658	265,208	246,208	251,470
First Aid/Rescue Squad	7,200	7,200	7,200	7,200	0
Capital Appropriations	250,000	82,000	125,000	250,000	250,000
Debt Service Appropriation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Appropriations:	<u>\$710,211</u>	<u>\$547,511</u>	<u>\$624,715</u>	<u>\$722,547</u>	<u>\$722,547</u>

Source: Annual Adopted Budgets of the Fire District.

Net Taxable Valuations and Annual Tax Rates

The net taxable valuations for the Fire District, the amount of Fire District tax levy and the Fire District tax rate for the past five (5) years are included below.

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>% of Total Assessed Valuation</u>	<u>Fire District Tax</u>	
			<u>Amount</u>	<u>Rate</u>
2020	\$436,533,196	100.0%	\$469,415	\$0.108
2019	436,533,200	100.0%	469,415	0.108
2018	432,551,546	100.0%	460,211	0.106
2017	433,942,950	100.0%	460,211	0.106
2016	438,314,450	100.0%	460,211	0.105

Source: Annual Audit Reports of the Fire District.

Long Term Debt

The Fire District has no outstanding long-term debt as of December 31, 2019.

Debt Limit of the Fire District

The debt limitation of the Board is established by statute (N.J.S.A. 40A:14-86). The Board is permitted to incur debt up to 2.00% of the assessed valuation in the Fire District for the past year. The following is a summation of the Board's debt limitation as of December 31, 2019:

Assessed Valuation (2019)	\$436,533,200
Permitted Debt Limitation (2%)	8,730,664
Less: Net Debt	<u>0</u>
Remaining Borrowing Power	<u>\$8,730,664</u>
Percentage of Net Debt to Assessed Valuation	0.00%

Source: Annual Audit Reports of the Fire District.

INFORMATION REGARDING THE TOWNSHIP¹

The following material presents certain economic and demographic information of the Township of Riverside (the “Township”), in the County of Burlington (the “County”), State of New Jersey (the “State”).

General Information

The Township is located on the Rancocas Creek just above its confluence with the Delaware River in the northwestern part of the County. It is located 15 miles northeast of Center City Philadelphia and 96 miles from New York City. Its land area covers 1.54 square miles or 985.6 acres, of which approximately 710 acres are developed and 275 acres are vacant.

Recreation

The Township offers a range of recreational facilities and areas. There are four (4) parks in the Township ranging in size from 4.15 acres to 9 acres containing baseball fields, with and without bleachers and dugouts, a soccer field, basketball courts and picnic areas. Small playground areas are also scattered across the Township. In addition, the recreational facilities at the Township schools are available for public use. Most important of these facilities are the football field, track and tennis courts located at Riverside High School.

Police, Fire Protection and Emergency Services

Sixteen (16) full-time police officers serve to provide public safety to the residents of the Township. The Township officers are fully trained, and many have a college education. The department also has a comprehensive education program that they provide to local schools and senior citizens clubs. The Township is served by one (1) volunteer fire company organized through a fire district. The fire company is equipped with modern firefighting apparatus. Twenty-four-hour ambulance service is provided by a third party, which is comprised of fully trained career employees and volunteers.

Public Works

The Department of Public Works cleans and maintains the 28.6 miles of streets and roads. In addition, parks and recreation areas are maintained by the department. Routine trash collection is provided under a contractual agreement with a private company. Mandatory recycling program of newspaper, cardboard, glass, aluminum and plastics is serviced by curbside collection. Also, available to residents is a recycling drop-off center located at the Public Works Garage.

Riverside Sewerage Authority

The Riverside Sewerage Authority (the “Authority”) was established by the Township Committee in the early part of 1947. The Authority itself was organized in February 1947.

¹ Source: The Township, unless otherwise indicated.

The governing body of the Authority consists of five (5) members appointed by the Township Committee. The terms of the members of the Authority members are staggered over five-year periods.

The Authority presently collects and treats the wastewater discharged from the homes and businesses in the Township as well as a portion of the neighboring town, Delran Township. The collection system consists of four (4) lift stations, three (3) in the Township and one (1) in Delran Township. The Township has over 28 miles of gravity sewer mains and force main, and 575 manholes.

A service contract between the Township and the Authority was adopted on May 3, 1993. The service contract obligates the Township to pay the Authority sums equal to any deficits in Authority revenues necessary to pay or provide for operating expenses or debt service. The Authority is required to repay the Township for all moneys paid and interest thereon.

The Authority operates and maintains a 1.0 million gallons per day wastewater treatment plant. A two-year project to upgrade tire facility from secondary treatment to tertiary treatment was completed in 1995.

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 (the "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.

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.

Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2019	4,436	4,284	152	3.4%
2018	4,379	4,209	170	3.9%
2017	4,416	4,237	179	4.1%
2016	4,431	4,230	201	4.5%
2015	4,465	4,216	249	5.6%
<u>County</u>				
2019	230,589	223,049	7,540	3.3%
2018	227,612	219,125	8,487	3.7%
2017	229,971	220,557	9,414	4.1%
2016	229,949	219,677	10,272	4.5%
2015	229,689	217,394	12,295	5.4%
<u>State</u>				
2019	4,493,127	4,333,334	159,793	3.6%
2018	4,432,520	4,250,795	181,725	4.1%
2017	4,454,681	4,248,741	205,940	4.6%
2016	4,473,780	4,251,209	222,571	5.0%
2015	4,487,309	4,227,640	259,669	5.8%

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 2018)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$58,413	\$84,992	\$79,363
Median Family Income	65,263	102,834	98,047
Per Capita Income	27,897	41,517	40,895

Source: US Bureau of the Census 2018 American Community Survey 5-Year Estimates

Population

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

	<u>Township</u>		<u>County</u>		<u>State</u>	
<u>Year</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2019 Estimate	7,816	-3.3%	445,349	-0.8%	8,882,190	1.0%
2010	8,079	2.1	448,734	6.0	8,791,894	4.5
2000	7,911	-0.8	423,394	7.2	8,414,350	8.9
1990	7,974	0.4	395,066	9.0	7,730,188	5.0
1980	7,941	-7.6	362,542	12.2	7,365,001	2.7

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

Largest Taxpayers

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

<u>Taxpayers</u>	<u>2019 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
River Terrace Associates	\$4,128,300	0.95%
Remy Investments	2,498,500	0.57%
Barbarberg/Riverside Garden Apts	2,239,300	0.51%
Watchcase Joint Venture Assoc.	2,071,600	0.47%
PSE&G	2,000,000	0.46%
Riverside Norse, LLC	1,634,100	0.37%
Monroe Premier Properties	1,337,900	0.31%
Keymar Inc	1,184,700	0.27%
Teicher Org at Riverside, LLC	982,600	0.23%
Verizon	<u>905,700</u>	<u>0.21%</u>
Total	<u>\$18,982,700</u>	<u>4.35%</u>

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2019U	\$16,333,622	\$15,640,658	95.76%
2018	16,116,980	15,407,039	95.60%
2017	15,732,956	15,147,695	96.28%
2016	15,297,184	14,718,300	96.22%
2015	15,042,221	14,483,518	96.29%

U = Unaudited
Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2019U	\$603,151	\$641,984	\$1,245,135	7.62%
2018	536,839	605,910	1,142,749	7.09%
2017	473,377	518,477	991,855	6.30%
2016	416,321	398,363	814,683	5.33%
2015	372,546	366,376	738,922	4.91%

U = Unaudited
Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2019U	\$154,500
2018	154,500
2017	154,500
2016	154,500
2015	154,500

U = Unaudited
Source: Annual Audit Reports of the Township

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

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

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Fire District</u>	<u>Total</u>
2019	\$1.148	\$2.088	\$0.404	\$0.108	\$3.748
2018	1.128	2.067	0.423	0.107	3.725
2017	1.105	2.010	0.402	0.107	3.624
2016	1.053	1.937	0.395	0.105	3.490
2015	1.022	1.898	0.398	0.105	3.423

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

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2019	\$436,533,100	\$437,407,916	99.80%	\$100	\$437,408,016
2018	432,551,450	438,693,154	98.60	96	438,693,250
2017	433,942,850	453,867,639	95.61	100	453,867,739
2016	438,314,350	429,383,180	102.08	100	429,383,280
2015	439,090,150	419,981,014	104.55	100	419,981,114

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 Township for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2019	\$6,665,600	\$372,118,100	\$0	\$36,335,100	\$6,888,900	\$14,525,400	\$436,533,100
2018	7,482,800	369,819,350	0	33,956,000	8,031,900	13,261,400	432,551,450
2017	7,508,700	371,039,850	0	34,101,000	8,031,900	13,261,400	433,942,850
2016	8,533,400	372,472,450	0	34,311,000	9,736,100	13,261,400	438,314,350
2015	8,578,400	373,019,250	0	34,455,000	9,736,100	13,301,400	439,090,150

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

Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Fund Balance Utilized	\$106,260	\$157,250	\$202,250	\$388,000	\$455,500
Miscellaneous Revenues	1,367,453	1,871,095	1,708,979	2,124,119	1,663,584
Receipts from Delinquent Taxes	370,000	300,000	300,000	300,000	350,000
Amount to be Raised by Taxation	<u>4,488,535</u>	<u>4,619,080</u>	<u>4,796,788</u>	<u>4,882,583</u>	<u>5,012,061</u>
Total Revenue:	<u>\$6,332,248</u>	<u>\$6,947,425</u>	<u>\$7,008,017</u>	<u>\$7,694,702</u>	<u>\$7,481,144</u>
<u>Appropriations</u>					
General Appropriations	\$5,185,247	\$5,511,525	\$5,471,655	\$5,797,327	\$5,873,201
Operations (Excluded from CAPS)	70,068	385,241	280,387	777,611	306,972
Deferred Charges and Statutory Expenditures	0	0	49,600	63,116	79,600
Capital Improvement Fund	17,500	20,500	17,500	17,500	17,500
Municipal Debt Service	331,451	428,957	575,357	412,260	474,940
Reserve for Uncollected Taxes	<u>727,983</u>	<u>601,202</u>	<u>613,518</u>	<u>626,888</u>	<u>728,932</u>
Total Appropriations:	<u>\$6,332,248</u>	<u>\$6,947,425</u>	<u>\$7,008,017</u>	<u>\$7,694,702</u>	<u>\$7,481,144</u>

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township'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.

Fund Balance - Current Fund

<u>Year</u>	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2019U	\$3,574,799	n/a
2018	2,523,810	455,500
2017	2,396,644	388,000
2016	1,700,917	202,250
2015	1,370,518	157,250

U = Unaudited

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2019

General Purpose Debt

Serial Bonds	\$5,024,000
Bond Anticipation Notes	3,091,400
Bonds and Notes Authorized but Not Issued	11,000
Other Bonds, Notes and Loans	0
Total:	<u>\$8,126,400</u>

Local School District Debt

Serial Bonds	\$2,755,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$2,755,000</u>

Regional School District Debt

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

Self-Liquidating Debt

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

TOTAL GROSS DEBT \$10,881,400

Less: Statutory Deductions	
General Purpose Debt	\$3,119,668
Local School District Debt	2,755,000
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$5,874,668</u>

TOTAL NET DEBT \$5,006,732

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2019)²

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$2,755,000	100.00%	\$2,755,000
County	697,484,392	0.89%	<u>6,230,994</u>
Net Indirect Debt			\$8,985,994
Net Direct Debt			<u>5,006,732</u>
Total Net Direct and Indirect Debt			<u>\$13,992,726</u>

Debt Limit

Average Equalized Valuation Basis (2017, 2018, 2019)	\$443,322,903
Permitted Debt Limitation (3 1/2%)	15,516,302
Less: Net Debt	<u>5,006,732</u>
Remaining Borrowing Power	<u>\$10,509,570</u>
Percentage of Net Debt to Average Equalized Valuation	1.129%
 Gross Debt Per Capita based on 2010 population of 8,079	 \$1,347
Net Debt Per Capita based on 2010 population of 8,079	\$620

Source: Annual Debt Statement of the Township

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

² Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE FIRE DISTRICT
FOR YEAR ENDED DECEMBER 31, 2019**

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RIVERSIDE TOWNSHIP FIRE DISTRICT NO. 1
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

RIVERSIDE FIRE DISTRICT NO. 1

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FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Riverside Township Fire District No. 1
Riverside, New Jersey 08075

I have audited the accompanying financial statements of the governmental activities of the Riverside Township Fire District No. 1, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District'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 accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Riverside Township Fire District No. 1, County of Burlington, State of New Jersey, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Riverside Township Fire District No. 1's basic financial statements. The supplementary schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In my opinion the combining and individual non-major financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated April 8, 2020 on my consideration of the Riverside Township Fire District No. 1's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 District's internal control over financial reporting and compliance.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brent W. Lee".

Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
April 8, 2020

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

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

Board of Fire Commissioners
Riverside Township Fire District No. 1
Riverside, New Jersey 08075

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities of the Riverside Township Fire District No. 1, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2019, and related notes to the financial statements, which collectively comprise the Riverside Township Fire District No. 1's basic financial statements, and have issued my report thereon dated April 8, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Riverside Township Fire District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Riverside Township Fire District No. 1's internal control. Accordingly, I do not express an opinion on the effectiveness of the Riverside Township Fire District No. 1's internal control.

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

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3008 New Albany Rd., Cinnaminson, NJ 08077

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Riverside Township Fire District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brent W. Lee", is written over a horizontal line.

Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
April 8, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The District provides fire protection services to a 1.8 square mile area of Riverside Township. The population of the District is approximately 8,500. The District is a separate government body known as a Special District and is governed by an elected board of Commissioners. Fire districts are governed by *N.J.S.A. 40:A14-70* et al. and organized as a taxing authority charged with the responsibility of providing resources necessary to provide fire-fighting services to the residents within its territorial location. This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management's discussion and analysis; the basic financial statements consisting of government-wide financial statements, and governmental fund financial statements; notes to the financial statements; and required supplementary information.

The basic government-wide and fund financial statements present the financial results on different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

Government-wide financial statements are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position (Exhibit A-1) and Statement of Activities (Exhibit A-2). The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term of the District. The Statement of Activities reports all revenue and expenses during the year, regardless of when cash is received or paid.

Governmental fund financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. This is the traditional form for our financial statements. The required financial statements are: Balance Sheet (Exhibit B-1) and Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-3). The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during or soon after the end of the year.

Reconciliation of the Governmental Fund Balance Sheet to the Government-wide Statement of Net Position (Exhibit B-2) explains the differences between the two balance sheets. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities, traces the change in fund balances to the change in net position reported in Exhibit B-4.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities as the government-wide financial statements. However, unlike the government-wide financial statements,

governmental fund financial statements focus on near-term in-flows and out-flows of spendable resources, as well as on balances of spendable resources available at the end of the year.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund both of which are considered major funds.

Condensed Government-wide Financial Data

	2019	2018
Unrestricted Assets	\$ 547,775	\$ 630,999
Restricted Assets:		
Cash & Cash equivalents	397,319	295,107
Capital Assets, Net of Related Accumulated Depreciation	<u>284,257</u>	<u>255,265</u>
 Total Assets	 <u>1,229,351</u>	 <u>1,181,371</u>
Liabilities:		
Current Liabilities	78,936	33,574
Long Term Liabilities	<u>4,409</u>	<u>3,922</u>
 Total Liabilities	 <u>83,345</u>	 <u>37,496</u>
Net Position:		
Restricted:		
Investment in Capital Assets	284,257	255,265
Capital Outlay	315,031	245,366
Debt Service	45,441	45,441
Unrestricted:		
Designated for Subsequent Year's Expenditures	200,000	200,000
General Fund	<u>301,277</u>	<u>397,803</u>
 Total Net Position	 <u>\$1,146,006</u>	 <u>\$1,143,875</u>
Expenditures Governmental Activities,		
Net of Program Revenues	\$ (481,083)	\$ (494,869)
General Revenues:		
Property Taxes	469,415	460,211
Miscellaneous Income		3,642
Interest Income	10,884	10,451
Supplemental Fire Safety	<u>2,915</u>	<u>2,915</u>
 Change in Net Position	 <u>\$ 2,131</u>	 <u>\$ (17,650)</u>

Financial Analysis of the District as a Whole

Net Position – The District’s net position increased by \$2,131 for the fiscal year ended December 31, 2019, or approximately .19% to a total of \$1,146,006. Of the \$1,146,006 in net position, \$284,257 is invested in capital assets.

Financial Analysis of the District’s Funds

Governmental fund balances decreased by \$26,374, this decrease was due to more capital outlay purchases in 2019 than in 2018.

Budgetary Highlights

Total General Fund expenditures were \$96,209 less than the amount budgeted.

Capital Assets

As of December 31, 2019, the District has invested \$2,161,220 in a broad range of capital assets including building improvements.

Economic Factors and Next Year’s Budget

The District’s main source of revenue is property taxes. The District does not expect property tax to increase for the fiscal year ending December 31, 2020 and remain stable at \$469,415.

Budgeted expenditures without debt service are not expected to increase. The total 2020 appropriations remain consistent with 2019 at \$722,547.

Contacting the District’s Financial Management

This financial statement is designed to provide a general overview of the District’s finances. If you have questions about this financial statement or need additional financial information, contact the District’s office at 237 South Pavilion Street, Riverside, New Jersey 08075.

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BASIC FINANCIAL STATEMENTS

A. GOVERNMENT-WIDE FINANCIAL STATEMENTS

**RIVERSIDE FIRE DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

ASSETS	
Unrestricted Assets:	
Cash	<u>\$547,775</u>
Total Unrestricted Assets	<u>547,775</u>
Restricted Assets:	
Cash & Cash Equivalents	397,319
Capital Assets, Net of Accumulated Depreciation (Note 6)	<u>284,257</u>
Total Restricted Assets	<u>681,576</u>
Total Assets	<u>1,229,351</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>78,936</u>
Total Current Liabilities	<u>78,936</u>
Long Term Liabilities:	
Compensated Absences Payable	<u>4,409</u>
Total Long Term Liabilities	<u>4,409</u>
Total Liabilities	<u>83,345</u>
NET POSITION	
Restricted Net Position:	
Net Investment in Capital Assets	284,257
Capital Outlay	315,031
Debt Service	45,441
Unrestricted Net Position:	
Designated for Subsequent Year's Expenditures	200,000
General Fund	<u>301,277</u>
Total Net Position	<u><u>\$1,146,006</u></u>

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

RIVERSIDE FIRE DISTRICT NO. 1
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTION PROGRAM	EXPENSES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities:			
Fire Protection:			
Salaries & Benefits	\$80,957		(80,957)
Services & Supplies	298,296		(298,296)
Depreciation	101,344		(101,344)
Increase in Compensated Absences Liability	486		(486)
Total Governmental Activities	481,083		(481,083)
General Revenues:			
District Tax			469,415
Interest Income			10,884
Supplemental Fire Safety			2,915
Total General Revenues			483,214
Change in Net Position			2,131
Net Position:			
Beginning of the Year			1,143,875
End of the Year			\$1,146,006

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

B. FUND FINANCIAL STATEMENTS

**RIVERSIDE FIRE DISTRICT NO. 1
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2019**

	GOVERNMENTAL FUND TYPES			
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Assets:				
Cash	\$547,775	351,878	45,441	945,094
Total Assets	\$547,775	351,878	45,441	945,094
Liabilities & Fund Balances:				
Liabilities:				
Accounts Payable	42,089	36,847		78,936
Total Liabilities	42,089	36,847		78,936
Fund Balances:				
Reserved for:				
Capital Outlay		315,031		315,031
Debt Service			45,441	45,441
Unreserved:				
Undesignated	505,686			505,686
Total Fund Balances	505,686	315,031	45,441	866,158
Total Liabilities & Fund Balances	\$547,775	351,878	45,441	945,094

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

**RIVERSIDE FIRE DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2019**

Total Fund Balances - Governmental Funds (Exhibit B-1)	\$866,158
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Capital assets used in governmental funds are not financial resources and therefore are not reported as assets in the governmental funds.

Total Historical Cost of Capital Assets	\$2,161,220	
Accumulated Depreciation	(1,876,963)	284,257

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,409)
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Net Position (Exhibit A-2)	\$1,146,006
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The accompanying Notes to the Financial Statements are an integral part of this Statement.

**RIVERSIDE FIRE DISTRICT NO. 1
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GOVERNMENTAL FUND TYPES			
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Revenues:				
District Taxes:				
Operating & Maintenance	\$469,415			469,415
Miscellaneous Revenues:				
Interest on Investments	10,884			10,884
Miscellaneous Income				
Supplemental Fire Safety	2,915			2,915
Total Revenues	483,214			483,214
Expenditures:				
Salaries & Employee Benefits	80,957			80,957
Services & Supplies	298,296			298,296
Capital Outlay:				
Building Improvements		130,335		130,335
Total Expenditures	379,253	130,335		509,588
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Finance Sources/(Uses)	103,961	(130,335)		(26,374)
Other Financing Sources/(Uses):				
Operating Transfer	(200,000)	200,000		
Total Financing Sources/(Uses)	(200,000)	200,000		
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	(96,039)	69,665		(26,374)
Beginning Fund Balance	601,725	245,366	45,441	892,532
Ending Fund Balance	\$505,686	315,031	45,441	866,158

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

**RIVERSIDE FIRE DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Governmental Funds (Exhibit B-3) (\$26,374)

Amounts reported for governmental activities in the statement of activities
(Exhibit A-2) are different as follows:

Government funds report Capital outlays as expenditures. However,
in the statement of activities, the cost of those assets are allocated
over the estimated useful lives as depreciation expense. This is the
amount by which capital outlays exceeded depreciation expense
during the year.

Depreciation Expense	(\$101,344)	
Capital Outlays	130,335	28,991

Repayment of Compensated Absences is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the statement of
net position, and is not reported in the statement of activities.

(486)

Change in Net Position of Governmental Activities (Exhibit A-2)

\$2,131

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

RIVERSIDE FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. General Information

Description of Reporting Entity

Fire District No.1 of the Township of Riverside is a political subdivision of the Township of Riverside, Burlington County, New Jersey. It was formed through the adoption of a Township ordinance. A board of five Commissioners oversees all operations of the Fire District. The length of each commissioner's term is three years with the annual election held the third Saturday of every February.

Fire Districts are governed by *N.J.S.A.40A: 14-70* et al. are organized as a taxing authority charge with the responsibility of providing the resources necessary to provide fire-fighting services to the residents within its territorial location. Fire District No. 1 of the Township of Riverside has one fire company within its jurisdiction.

Riverside Fire District No. 1 is not a component unit of any other financial reporting entity nor does the Fire District have any component units to be presented in accordance with Governmental Accounting Standards Board Statement No. 14.

District Officials

The District is governed by a board of five directors. The following were in office at December 31, 2019:

Officials	Term Expires March
Richard Horton – Vice Chairman	2020
Robert Miller – Secretary	2020
Lawrence Winkelspecht – Assistant Secretary/Treasurer	2021
George Conard Jr. – Treasurer	2021
Lester Kemble – Chairman	2022

Accounting Records

The official accounting records of the District are maintained in the office of Riverside Fire District No. 1.

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

A. Basis of Accounting and Measurement Focus – The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equities, revenues and expenses or expenditures. The District uses a chart of accounts based on the uniform accounting system prescribed by the State Controller.

RIVERSIDE FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Significant Accounting Policies

B. Financial Statements

Government-Wide Financial Statements

The Districts' Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental activities for the District.

The basic financial statements are presented on an economic resource measurement focus and the accrual basis of accounting. Accordingly, all of the Districts' assets and liabilities, including capital assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental Fund Financial Statements

The Districts' Government Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for all major governmental funds and non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide financial statements.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the different measurement focus and basis of accounting.

Accordingly, the Fire District accounts for its financial transactions through the use of the following funds and account groups when applicable:

Governmental Funds:

General Fund – The General Fund is the general operating fund of the Fire District and is used to account for its inflows and outflows of financial resources. The acquisition of certain capital assets, such as fire fighting apparatus and equipment, is accounted for in the General Fund when it is responsible for the financing of such purposes.

RIVERSIDE FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Significant Accounting Policies (continued):

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities such as fire houses and fire fighting apparatus. Generally, the financial resources of the Capital Projects Fund are derived from the issuance of debt or by the reservation of fund balance, which must be authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for resources that will be used to service general long-term debt.

Budgets and Budgetary Accounting

The Fire District must adopt an annual budget in accordance with *N.J.S.A.40A:14-78* et al.

The Fire Commissioners must introduce and approve the annual budget not later than sixty days prior to the annual election. At introduction, the Commissioners must advertise the time and place at least ten days prior to the hearing in a newspaper having substantial circulation in the Fire District. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the Fire Commissioners may, by majority vote, adopt the budget.

Amendments may be made to the Fire District budget in accordance with *N.J.S.A.40A:4-78.3*. The budget may not be amended subsequent to its final adoption and approval.

Subsequent to the adoption of the Fire District budget, the amount of money to be raised by taxation in support of the Fire District budget must appear on the ballot for the annual election for approval of the legal voters.

Fire Districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the Fire District's basic financial statements.

Encumbrances – Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Inventories and Prepaid Expenses – Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase.

Debt Limitation – *N.J.S.A.40A:14-84* governs procedures for the issuance of any debt related to such purchases. In summary, Fire Districts may purchase fire fighting apparatus and equipment and land and buildings to house such property in an amount not exceeding 5 mills on the dollar of the last assessed valuation of property within the district upon the approval of the legal voters. Debt may be issued up to \$60,000 or 2 percent of the assessed valuation of property, whichever is larger.

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Significant Accounting Policies (continued):

Fire District Taxes – Upon the proper certification to the assessor of the municipality in which the Fire District is located, the assessor shall assess the amount of taxes to be raised in support of the Fire District's budget in the same manner as all other municipal taxes. The collector or treasurer or municipality shall then pay over to the treasurer or custodian of funds of the Fire District the taxes assessed in accordance with the following schedule: on or before April 1, an amount equaling 21.25% of all moneys assessed; on or before July 1, an amount equaling 22.5% of all moneys assessed; on or before October 1, an amount equaling 25% of all moneys assessed; and on or before December 31, an amount equaling the difference between the total of all moneys so assessed and the total amount of moneys previously paid over.

Capital Assets – Capital Assets, which include land, building, improvements, and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District has set capitalization thresholds for reporting capital assets of \$2,000.

Depreciation is recorded on the straight-line method (with full year depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Station and Improvements	10 to 30 Years
Equipment	5 to 15 Years
Mobile Equipment	5 to 10 Years

Inventory, Materials, and Supplies – The inventory on hand at any time is small. Accordingly, purchases are charged directly to fixed assets or to maintenance costs, as applicable.

Fund Balance Reserve – Fund balance reserves indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unrealized Gains and Losses – Governmental Accounting Standards Board (GASB) has established GASB-31, which requires public agencies to report the financial effect of all unrealized gains and losses on invested funds. As of December 31, 2019, the unrealized gains for the District were not considered to be material to the financial statements taken as a whole, and accordingly, has not been reflected in the financial statements.

RIVERSIDE FIRE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 2. Significant Accounting Policies (continued):

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements:

The following GASB Statements became effective for the year ended December 31, 2019:

Statement 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. Management does not expect this statement to have a material impact on the District's financial statements.

Statement 84, *Fiduciary Activities*. The statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 is effective for the reporting period beginning after December 31, 2018. Management does not expect this statement to have a material impact on the District's financial statements.

Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placement*. The statement will improve financial reporting users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this statement to have a material impact on the District's financial statements.

Recently Issued Accounting Pronouncements

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

Statement 86, *Accounting for Certain Debt Extinguishment*. Statement 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement 86 is effective for the period beginning after June 15, 2017. Management does not expect this statement to have a material impact on the School District's financial statements. Statement 87, *Leases*. Statement 87 establishes single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing the right to use an underlying asset. Statement 87 is effective for the reporting period beginning after December 15, 2019. Management does not expect this statement to have a material impact on the District's financial statements.

Statement 87, *Leases*. The statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of the financial statements among governments by requiring lessees and

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

lessors to report leases under a single model. Also, the statement will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Management does not expect this statement to have a material impact on the District's financial statements.

Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the District's financial statements.

Note 3. Cash and Cash Equivalents and Investments

The Fire District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2019, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 945,094</u>
Total Deposits & Investments	<u>\$ 945,094</u>
Reconciliation to Statement of Net Assets:	
Governmental Activities:	
Unrestricted:	
Cash & Cash Equivalents	\$ 547,775
Restricted:	
Cash & Cash Equivalents	<u>397,319</u>
Total Reconciliation of Statement of Net Position	<u>\$ 945,094</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$952,313 at December 31, 2019. Of the bank balance \$250,000 was fully insured by depository insurance and \$702,313 was secured by a collateral pool held by the bank, but not in the Fire District's name, as required by New Jersey statutes.

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Investment Interest Rate Risk – The Fire District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2019, are provided in the above schedule.

Investment Credit Risk – The Fire District has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor.

Note 3. Cash and Cash Equivalents and Investments

- Bonds or other obligations of the Fire District or bonds or other obligations of the local unit or units within which the Fire District is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Fire District;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

Concentration of Investment Credit Risk – The Fire District places no limit on the amount it may invest in any one issuer. At December 31, 2019, all of the Fire District's investments are with Investors Bank.

Note 4. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2019 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days

Note 4. Governmental Unit Deposit Protection Act (GUDPA) (continued):

after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

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

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

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 5. Property Tax Levies

Following is a tabulation of Fire District assessed valuation, tax levies and property tax rates per \$100 of assessed valuations for the current and preceding two years:

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Year	Assessed Valuations	Total Tax Levy	Property Tax Rates
2019	\$436,533,200	\$469,415	.108
2018	432,551,546	460,211	.107
2017	433,942,950	460,211	.107

Note 6. Changes in Fixed Assets

Fixed assets as of December 31, 2019 consisted of the following:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Building Improvements	\$ 276,017	\$ 4,900		\$ 280,917
Vehicles	1,648,732			1,648,732
Equipment	106,135			106,135
Subtotal	2,030,884	4,900		2,035,784
Less:				
Accumulated Depreciation	(1,775,619)	(101,343)		(1,876,962)
Construction in Progress		125,435		125,435
Total	\$ 255,265	28,992		\$ 284,257

Note 7. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation.

Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at December 31, 2019 is \$4,409.

RIVERSIDE FIRE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 8. Risk Management

The District is exposed to various risks of loss relation to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Insurance coverage as of December 31, 2019 is as follows:

	Coverage
Property:	
Real Property, including code upgrades	Replacement Cost
Building Contents	\$91,580
Electronic Data Processing:	
Business Personal Property Included	Included
Equipment	Included
Software	\$250,000
Emergency Services Commandeered Property	Replacement Cost
Special Coverages – Flood	Replacement Cost - \$1,000 Deductible
Scheduled Equipment Floater:	
Miscellaneous Portable Equipment	Blanket - \$100 Deductible
Public Employee Dishonesty/Fidelity Bond	\$100,000
Automobile Comprehensive	\$1,000,000 - \$50 Deductible
 Liability:	
Commercial/General Liability Package	\$1,000,000/\$2,000,000
Automobile Coverage:	
Combined Single Limit	\$1,000,000
Uninsured Motorists	\$1,000,000
Excess Liability Coverage –	
Officers Errors & Omissions, Occurrence	\$1,000,000/2,000,000
Valuable Papers/Records	Actual Cost Incurred
Personnel:	
Worker's Compensation	Statutory
Personal Injury	\$500,000

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. BUDGETARY COMPARISON SCHEDULES

**RIVERSIDE FIRE DISTRICT NO. 1
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE -
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	ORIGINAL BUDGET	ADJUSTED FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Miscellaneous Revenues:				
Interest on Investments	\$3,132	3,132	10,884	7,752
Miscellaneous Revenue				
Supplemental Fire Services		2,915	2,915	
Total Miscellaneous Revenues Anticipated	3,132	6,047	13,799	7,752
Amount to be Raised by Taxation to Support the District Budget	469,415	469,415	469,415	
Total Revenues	472,547	475,462	483,214	7,752
EXPENDITURES				
Operating Appropriations:				
Administration:				
Salaries and Wages	54,648	54,648	54,648	
Employee Benefits	49,715	34,715	26,309	8,406
Elections	3,000	3,000	1,052	1,948
Insurance Premiums	33,000	33,000	28,502	4,498
Advertising	4,500	4,500	3,938	562
Office Supplies & Postage	9,388	9,388	4,317	5,071
Computer Supplies	14,692	14,692	11,098	3,594
Membership Dues & Subscriptions	3,000	3,000	1,316	1,684
Professional Services	52,000	67,000	40,717	26,283
Travel Expenses	5,500	5,500	3,738	1,762
Total Administration	229,443	229,443	175,635	53,808
Cost of Operations:				
Contracted Service - Volunteer				
Fire Company	27,000	27,000	27,000	
Other Operating Materials & Supplies	29,213	36,413	36,385	28
Fire Hydrant Rentals or Services	63,000	63,000	57,548	5,452
Training and Education	7,400	7,400	5,740	1,660
Uniform and Personal Equipment	9,500	9,500	5,813	3,687
Maintenance & Repairs/Equipment	50,591	50,591	37,434	13,157
Fire Police/Prevention	4,500	4,500	4,499	1
Utilities	39,000	39,000	24,692	14,308
Promotions	4,700	4,700	1,215	3,485
R.E.S. Service Contract	7,200			
Miscellaneous	1,000	1,000	377	623
Supplemental Fire Services		2,915	2,915	
Total Cost of Operations	243,104	246,019	203,618	42,401
Total Expenditures	472,547	475,462	379,253	96,209
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Operating Transfer	200,000	200,000	200,000	
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	(200,000)	(200,000)	(96,039)	103,961
Fund Balances, January 1	601,725	601,725	601,725	
Fund Balances, December 31	\$401,725	401,725	505,686	103,961

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GENERAL COMMENTS AND RECOMMENDATIONS



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

Board of Fire Commissioners
Riverside Township Fire District No. 1
Riverside, New Jersey 08075

I have audited the financial accounts and transactions of the Riverside Township Fire District No. 1 in the County of Burlington for the year ended December 31, 2019. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 except by contract or agreement.

The Fire District has a qualified purchasing agent on staff and therefore may award contracts up to \$40,000 without competitive bids.

It is pointed out that the Board of Fire Commissioners has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The Minutes indicate that no bids were requested by public advertising.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any instances where individual payments, contracts or agreements in excess of \$6,000 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Examination of Vouchers

A test examination of vouchers paid during the year under audit indicated them to be in good order.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. The previous year audit findings have been corrected.

Acknowledgment

I received the complete cooperation of all officials and employees of the District and I greatly appreciate the courtesies extended to the members of the audit team.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.



Brent W. Lee
Certified Public Accountant

April 8, 2020

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

_____, 2020

The Board of Commissioners of
Fire District No. 1 in the Township
of Riverside
Riverside, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of \$3,500,000 aggregate principal amount of Fire District Bonds, Series 2020 (the “Bonds”) of The Board of Commissioners of Fire District No. 1 in the Township of Riverside, in the County of Burlington, New Jersey (the “Board” when referring to the governing body and the “Fire District” when referring to the legal entity governed by the Board).

The Bonds are issued pursuant to: (i) Title 40A, Chapter 14 of the New Jersey Statutes, as amended and supplemented (the “Fire District Law”); (ii) a proposal adopted by the Board on April 24, 2019 (the “Proposal”) and approved by the affirmative vote of a majority of the legal voters present and voting at a special Fire District election held on July 13, 2019, and (iii) a resolution adopted by the Board on April 22, 2020 (the “Resolution”).

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable and semiannually on the first day of January and July in each year until maturity or prior redemption, commencing July 1, 2021, and shall mature on July 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$125,000	2.000%	2031	\$175,000	2.250%
2022	130,000	2.000	2032	180,000	2.250
2023	135,000	2.000	2033	185,000	2.250
2024	140,000	2.125	2034	190,000	2.250
2025	145,000	2.125	2035	200,000	2.250
2026	150,000	2.125	2036	205,000	2.250
2027	155,000	2.125	2037	210,000	2.250
2028	160,000	2.125	2038	220,000	2.250
2029	165,000	2.125	2039	225,000	2.250
2030	170,000	2.125	2040	235,000	2.250

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that: (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Fire District Law, the Proposal and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real property within the Fire District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

The Bonds maturing on July 1 in the years 2021 through 2028, inclusive (the “Premium Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.

We are also of the opinion that the difference between the stated principal amount of the Bond maturing on July 1 in the year 2040 (the “Discount Bond”) and its initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Discount Bond of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Discount Bond. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

We are further of the opinion that the Bonds constitute “qualified tax-exempt obligations” within the meaning of section 265(b)(3)(B) of the Code and, therefore, will be treated as if they were acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated as of July 14, 2020 (the "Disclosure Certificate") is executed and delivered by The Board of Commissioners of Fire District No. 1 in the Township of Riverside, in the County of Burlington, New Jersey (the "Board" when referring to the governing body and the "Fire District" when referring to the legal entity governed by the Board) in connection with the issuance of its \$3,500,000 aggregate principal amount of Fire District Bonds, Series 2020 (the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued by virtue of a proposal adopted by the Board on April 24, 2019 and approved by the affirmative vote of a majority of the legal voters present and voting at a special Fire District election held on July 13, 2019, and pursuant to a resolution entitled "Resolution Determining the Form and Other Details of the Offering of \$3,500,000 Fire District Bonds, Series 2020 of the Board of Commissioners of Fire District No. 1 in the Township of Riverside, in the County of Burlington, New Jersey, and Providing For the Sale of Such Bonds, and Determining Certain Matters With Respect Thereto", duly adopted by the Board on April 22, 2020 (the "Bond Resolution"). The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Beneficial Owners of the Bonds to assist the Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges the Fire District is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

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

"*Continuing Disclosure Information*" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be electronically filed by the Board with the MSRB through EMMA pursuant to Section 3 of this Disclosure Certificate, and (iii) any notice of a Listed Event required to be filed by the Board with the MSRB through EMMA pursuant to Section 5 of this Disclosure Certificate.

"*Disclosure Representative*" shall mean the President of the Board or his or her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"*Dissemination Agent*" shall mean, initially, Phoenix Advisors, LLC, or any Dissemination Agent subsequently designated in writing by the Board which has filed with the County a written acceptance of such designation.

"*EMMA*" shall mean the Electronic Municipal Market Access system, a website created by the MSRB and approved by the SEC to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"*Financial Obligation*" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

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

"*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 SEC (as defined below) as a repository for purposes of the Rule (as defined below).

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*SEC*" shall mean the United States Securities and Exchange Commission.

"*State*" shall mean the State of New Jersey.

"*Underwriter(s)*" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Board shall provide or cause to be provided to the Dissemination Agent not later than September 15 of each year, commencing September 15, 2021 (for the calendar year ending December 31, 2020), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be

submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Fire District may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Fire District are not available by September 15 of each year, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Fire District, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Fire District.

(b) Not later than September 30 of each year (commencing September 30, 2021), the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot forward the Annual Report to EMMA in accordance with subsection (b) above, the Dissemination Agent shall send, in a timely manner, a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been filed with EMMA pursuant to this Disclosure Certificate, and stating the date it was provided.

(e) If the fiscal year of the Fire District changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) Business Days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The Fire District's Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the Fire District (as of the preceding December 31).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, State Department of Community Affairs (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and the budget laws of the State.

2. The general financial information and operating data of the Fire District consistent with the information set forth in Appendix A to the Official Statement dated June 30, 2020, prepared in connection with the sale of the Bonds (the "Official Statement"), under the headings entitled "Fire District Financial Operations", "Fire District Budgets", "Net

Taxable Valuations and Annual Tax Rates”, “Long Term Debt” and “Debt Limit of the Fire District”.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Fire District is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB, through the EMMA system, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the Fire District;
13. The consummation of a merger, consolidation, or acquisition involving the Fire District or the sale of all or substantially all of the assets of the Fire District, 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 for the Bonds or the change of name of a trustee for the Bonds, if material;
15. Incurrence of a Financial Obligation of the Fire District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Fire District, any of which affect Bondholders, 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 Fire District, any of which reflect financial difficulties.

The Board shall, in a timely manner not in excess of ten (10) Business Days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5 that require a materiality determination, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events that require a materiality determination, the Board shall, as soon as possible, determine if such event would constitute information material, if applicable, to the Beneficial Owners of the Bonds.

(c) If the Board (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the

Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event requiring a materiality determination would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, in a timely manner not in excess of ten (10) Business Days after the occurrence thereof, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Fire District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Fire District is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. The Board hereby covenants for the benefit of the holders of the Bonds and the beneficial holders of the Bonds to provide certain financial information and operating data of the Fire District, as detailed in Sections 3, 4 and 5 hereof, and to comply with the provisions of the Rule.

The Board has taken steps to ensure timely Annual Report and other filings on a going-forward basis, including hiring Phoenix Advisors, LLC to serve as its continuing disclosure agent. This covenant is being made by the Board to assist the purchasers of the Bonds in complying with the Rule.

SECTION 8. Dissemination Agent; Compensation. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Phoenix Advisors, LLC. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the

Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Fire District, such determination being supported by an opinion of counsel expert in Federal securities laws, or by the approving vote of a majority of Beneficial Owners of the Bonds at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. If the Board 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 Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Fire District to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds 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 Fire District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure

Certificate in the event of any failure of the Fire District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Fire District, the Dissemination Agent, the Underwriter(s), and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by electronic mail or facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board

Robert T. Miller
Clerk
The Board of Commissioners of
Fire District No. 1 in the Township of Riverside
P.O. Box 1
Riverside, New Jersey 08075
Telephone: (856) 461-6251
Email: rmiller@riversidefire.org

(b) Copies of all notices to the Dissemination Agent from
time to time with respect to the Bonds:

initially: Anthony P. Inverso
Senior Managing Director
Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505
Telephone: (609) 291-0130
Email: ainverso@muniadvisors.com

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Fire District and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State, as applicable.

**THE BOARD OF COMMISSIONERS
OF FIRE DISTRICT NO. 1 IN THE
TOWNSHIP OF RIVERSIDE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY**

ROBERT T. MILLER,
Clerk

**Acknowledged and Accepted by:
PHOENIX ADVISORS, LLC,
as Dissemination Agent**

AUTHORIZED SIGNATORY

EXHIBIT A

NOTICE TO MSRB VIA EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Commissioners of Fire District No. 1
in the Township of Riverside, in the County of Burlington, New Jersey

Name of Bond Issue: \$3,500,000 Fire District Bonds, Series 2020
Dated July 14, 2020
(CUSIP Number 76930CAV0)

Date of Issuance: July 14, 2020

NOTICE IS HEREBY GIVEN that the above designated Fire District has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate dated as of July 14, 2020 executed by the Fire District.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Fire District)

cc: The Board of Commissioners of
Fire District No. 1 in the Township of Riverside,
in the County of Burlington, New Jersey

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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