

NOTICE OF SALE

\$3,825,000

TOWNSHIP OF RIVERSIDE

County of Burlington, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2019

(Bank Qualified)(Book-Entry-Only)(Callable)

ELECTRONIC PROPOSALS will be received via the BiDCOMP®/Parity® Electronic Competitive Bidding System ("PARITY") of i-Deal LLC ("i-Deal") in the manner described below, until 11:00 a.m. (Eastern), on

December 10, 2019

at which time they will be publicly announced for the purchase of the following bonds ("Bonds"), due on December 15, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2020	\$235,000	2027	\$260,000
2021	270,000	2028	270,000
2022	280,000	2029	275,000
2023	260,000	2030	285,000
2024	270,000	2031	290,000
2025	275,000	2032	300,000
2026	250,000	2033	305,000

The Bonds will be dated December 19, 2019 and bear interest at the rates per annum specified by the successful bidder therefor, payable semiannually on June 15 and December 15, commencing June 15, 2020, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates as set forth in the Preliminary Official Statement, dated December 3, 2019, prepared in connection with the issuance of the Bonds ("Preliminary Official Statement").

Upon initial issuance, the Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds and be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of interests among its participants. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each book-entry bondholder will receive a credit balance on the books of its nominee. For additional information, see "THE BONDS--Book-Entry-Only System" in the Preliminary Official Statement described below.

The Preliminary Official Statement has been deemed "final" by the Township as of its date for purposes of paragraph (b)(1) of Rule 15c2-12, as amended ("Rule 15c2-12") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as

amended, except for certain omissions permitted thereunder. Within seven (7) business days of the sale of the Bonds, and in sufficient time to accompany any confirmation that requests payment from a customer, the Township will deliver a sufficient number of copies of the final official statement ("Official Statement") to the purchaser in order for the same to comply with Paragraph (b)(4) of Rule 15c2-12.

The Preliminary Official Statement is available for viewing in electronic format through the internet facilities of Bowman & Company, LLP. The web address is www.GovDebt.net ("Site"). In addition, broker dealers registered with the National Association of Securities Dealers ("NASD") and dealer banks with DTC clearing arrangements may either: (i) print out a copy of the Preliminary Official Statement by their own means; or (ii) at any time prior to December 10, 2019, elect to receive a printed copy of the Preliminary Official Statement in the mail by requesting the same on the Site or by calling the Township's Bond Counsel, Parker McCay P.A. ("Bond Counsel"), Parker McCay P.A., 9000 Midlantic Drive, Suite 300, P.O. Box 5054, Mount Laurel, New Jersey 08054. Calls should be directed to Alexis B. Batten, Esquire at (856) 985-4067. In order to view, print a copy or request a copy of the Preliminary Official Statement, please visit the Site. Bidders may log-in to access electronic viewing and delivery. Once logged-in to the Site, bidders must follow the applicable instructions and prompts to access the Preliminary Official Statement. All bidders must review the Preliminary Official Statement and certify that they have done so prior to participating in the bidding.

In accordance with the requirements of Rule 15c2-12, the Township will, prior to the issuance of the Bonds, enter into an agreement substantially in the form set forth in Appendix "D" to the Preliminary Official Statement ("Disclosure Agreement").

The Township will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("Code").

BID SPECIFICATIONS

Each **ELECTRONIC PROPOSAL** for the Bonds must be submitted to PARITY in accordance with this notice, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, including any fee charged, potential bidders may contact BiDCOMP®/PARITY, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. The Township may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. If a bid submitted electronically by PARITY is accepted by the Township, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the Township, and the Township shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any

failure by PARITY to correctly or timely transmit information provided by the Township or information provided by the bidder.

3. The Township may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 9:00 A.M. (Eastern Time) on the date upon which the Township will receive proposals.

4. Once the bids are communicated electronically via PARITY to the Township as described above, each bid will constitute an official "Proposal for Bonds" and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting electronic bids, the time as maintained on PARITY shall constitute the official time.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Township nor i-Deal shall have any duty or obligation to provide or assure to any bidder, and neither the Township nor i-Deal shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The Township is using PARITY as a communication mechanism, and not as the Township's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the Township harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Each proposal must specify in a multiple of 1/8th or 1/20th of 1%, a single rate of interest which each maturity of the Bonds are to bear. Not more than one rate of interest may be named for Bonds of the same maturity. No rate of interest named for any maturity may be less than the rate of interest named for a prior maturity, and the difference between the highest and the lowest rates of interest named in the proposal shall not exceed three percent (3%). No proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest net interest cost to the Township under any legally acceptable proposal.

The Bonds will be sold to the bidder who, after having complied with the terms of this Notice of Sale, offers the lowest net interest cost for the Bonds. The net interest cost shall be computed in each instance by adding to the total principal amount of Bonds bid for, the total interest cost to maturity in accordance with such bid. **Proposals may not include any premium.** If two (2) or more bidders specify the same lowest net interest cost, then to one of such bidders selected by the undersigned by lot. The purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. The Township reserves the right to reject all bids and any bid not complying with the terms of this Notice of Sale.

Each bidder is required to make a good faith deposit ("Deposit") in the form of a cash wire, or certified, cashier's or treasurer's check in the amount of **\$76,500**, payable to the order of the "Township of Riverside". If a cash wire is used, the wire must be received by the Township no later than **11:00 A.M. on TUESDAY, DECEMBER 10, 2019**. Bidders submitting cash wires must: (i) notify the Township of its intent to use such cash wire prior to **10:45 A.M. on TUESDAY, DECEMBER 10, 2019**; (ii) provide proof of electronic transfer of such cash wire

prior to **11:00 A.M. on TUESDAY, DECEMBER 10, 2019**; and (iii) also enclose return wiring instructions for use by the Township. Wiring instructions may be obtained by contacting the Township's Bond Counsel, Parker McCay P.A., Attention: Alexis B. Batten, Esquire, Telephone: (856) 985-4067 or Email: abatten@parkermccay.com. The Township's Municipal Advisor, Phoenix Advisors, LLC, may also be contacted at 625 Farnsworth Avenue, Bordentown, New Jersey 08505. Calls should be directed to Sherry L. Tracey at (609) 291-0130. If a check is used, the check must be certified or cashier's or treasurer's check drawn upon a bank or trust company and must be delivered to the Township by no later than **11:00 A.M. on TUESDAY, DECEMBER 10, 2019**. Bidders submitting good faith checks should also enclose a return envelope for use by the Township. Each bidder accepts responsibility for delivering such cash wire or check on time and the Township is not responsible for any cash wire or check that is not received on time. No interest on the Deposit will accrue to the successful bidder. When the successful bidder has been ascertained, all such Deposits shall be returned to the persons making the same within a reasonable period of time, except the cash wire or check of the successful bidder which shall be applied as partial payment for the Bonds or to secure the Township from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. Award of the Bonds to the successful bidder or rejection of all bids is expected to be made promptly after opening of the bids. The successful bidder may not withdraw its proposal until after 5:30 P.M. on the day of such bid opening and then only if such award has not been made prior to the withdrawal.

AT THE TIME OF DELIVERY OF THE BONDS, PAYMENT FOR THE BONDS SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

The successful bidder may refuse to accept the Bonds, if prior to their delivery, any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes and, in such case, the deposit made by such bidder will be returned and the successful bidder will be relieved of its contractual obligations arising from the acceptance of its proposal.

RATING

Moody's Investor Service has assigned its municipal bond rating of "A1" to the Bonds. Any change in the aforementioned rating on the Bonds will be communicated via PARITY.

OPTIONAL PURCHASE OF MUNICIPAL BOND INSURANCE

Information concerning the Township has been furnished to certain companies for the purpose of qualifying the Bonds for municipal bond insurance. Any purchase of said insurance will be at the sole option and expense of the bidder and increased costs of issuance including, without limitation, any additional rating agency fees, resulting by reason of such insurance will be paid by such bidder. Notice of qualification of the Bonds for municipal bond insurance will be communicated via PARITY. If the Bonds qualify for municipal bond insurance, each bidder shall be required to specify whether municipal bond insurance will be purchased.

POSTPONEMENT

The Township reserves the right to postpone, from time to time, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED ON THOMSON MUNICIPAL NEWSWIRE, BEFORE 11:00 A.M. ON THE DAY BEFORE THE SALE.** If any date fixed for receipt of bids and the sale of the Bonds is postponed, an alternative sale date will be announced via Thomson Municipal Newswire at least forty-eight hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on Thomson Municipal Newswire at the time the sale date and time are announced.

DELIVERY OF THE BONDS

It is anticipated that delivery of the Bonds will occur on or about Thursday, December 19, 2019.

CUSIPS

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or a refusal by the purchaser thereof to accept delivery of and to pay for the Bonds in accordance with the terms hereof. In accordance with Municipal Securities Rulemaking Board Rule G-34, as amended, Phoenix Advisors, LLC, municipal advisor to the Township, will request CUSIP identification numbers and will advise CUSIP Global Services of the details related to the sale of the Bonds, including the identity of the winning purchaser of the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Township; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

Closing Certificates:

Simultaneously with the delivery of the Bonds, the purchaser shall assist the Township in establishing the issue price and yield of the Bonds and shall execute and deliver to the Township at closing an "issue price" and "yield" or similar certificate setting forth the reasonably expected initial offering price to the public or the sale price or prices of the Bonds and yield, together with the supporting pricing wires or equivalent communications ("Issue Price Certificate"). The Issue Price Certificate shall be executed in a form attached hereto as Appendix "A".

Establishment of Issue Price:

(a) The Township intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Township disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

- (2) all bidders shall have an equal opportunity to bid;
- (3) the Township may receive bids from at least three (3) underwriters of municipal bonds or Bonds who have established industry reputations for underwriting new issuances of municipal bonds or Bonds; and
- (4) the Township anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(b) If the successful bidder is a bank or local government unit purchasing for its own account the provisions of paragraphs (d) and (e) below shall not apply

(c) In the event that paragraph (b) above is not applicable and the competitive sale requirements are not satisfied, the Township shall so advise the successful bidder. The Township shall treat the first price at which 10% of the Bonds (the "10% Test") is sold to the public as the issue price of the Bonds. The successful bidder shall advise the Township if the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Township will permit, but will *not* require bidders to comply with the "hold-the-offering-price rule". Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that the Bonds will be subject to the 10% Test or the "hold-the-offering-price rule" in order to establish the issue price of the Bonds.*

(d) If the competitive sale requirements are not satisfied and the successful bidder is not relying on the "hold-the-offering-price rule", then until the 10% Test has been satisfied as to the Bonds, the successful bidder agrees to promptly report to the Township the prices at which the unsold Bonds have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds. If the 10% Test is not met by the closing date, a supplemental issue price certificate must be provided.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the successful bidder or such underwriter that

either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

(f) Sales of any securities to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party;
- (ii) "underwriter" means: (A) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the Township to the successful bidder.

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (i) approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, a form of which can be found in Appendix "C" to the Preliminary Official Statement; (ii) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the Township, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the Bonds; and (iii) an executed copy of the Disclosure Agreement.

COMPLIANCE WITH P.L. 2005,c.271, s.3

The purchaser is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A. 19:44A-20.13* (P.L. 2005, c.271, s.3) if the purchaser enters into agreements or contracts, such as its agreement to purchase the Bonds, with a public entity, such as the

Township and receives compensation or fees in excess of \$50,000 in the aggregate from public entities, such as the Township, in a calendar year. It is the purchaser's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

MICHAEL MANSDOERFER, Chief Financial Officer

Dated: December 3, 2019

APPENDIX "A"

\$3,825,000
TOWNSHIP OF RIVERSIDE
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2019

CERTIFICATE OF UNDERWRITER
REGARDING YIELD AND ISSUE PRICE

The undersigned, an authorized representative of _____, as underwriter ("Underwriter") for the above-captioned bonds ("Bonds"), hereby certifies as follows:

1. This certificate is delivered to the Township of Riverside, County of Burlington, New Jersey ("Township") and may be relied upon in establishing the reasonable expectations of the Township as to the matters stated herein as may be necessary or appropriate in the preparation by the Township of a certificate relating to arbitrage matters in connection with the issuance of the Bonds and in complying with the requirements of the Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder with respect to arbitrage.

2. This certificate is based on facts and estimates in existence on the date hereof and, to the best of the undersigned's knowledge and belief, the matters set forth herein are reasonable in light of such facts and estimates.

3. On December 10, 2019 ("Sale Date"), the Underwriter submitted and the Township accepted its competitive proposal to purchase the Bonds.

[4. As of the Sale Date, the reasonably expected aggregate offering price of the Bonds to the Public by the Underwriter is \$_____ ("Expected Offering Price"). The

Expected Offering Price is the price for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds.

5. The Underwriter was not given the opportunity to review other bids prior to submitting its bid. The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.]

[4. As of the date of this certificate, the Underwriter has not sold at least 10% of the Bonds at a single price and agrees once it has sold at least 10% of the Bonds at a single price, it will provide a Supplemental Issue Price Certificate to the Township and Bond Counsel, which date will be not later than thirty (30) days after the last day of the calendar quarter next ending after the date of closing of the Bonds.]

[4. The Underwriter has offered the Bonds to the Public for purchase at the initial aggregate offering price of Township on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule A.

5. As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that: (i) it would neither offer nor sell any of the Bonds to any person at a price that is higher than the Initial Offering Price during the Holding Period (as defined below) ("hold-the-offering-price rule"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply

with the hold-the-offering-price rule. Pursuant to such agreement, no underwriter (as defined below) has offered or sold the Bonds at a price that is higher than the respective Initial Offering Price during the Holding Period.]

[5/6]. The Yield (as defined below) on the Bonds to maturity is not less than _____%

[6/7]. Capitalized terms utilized herein and not otherwise defined shall have the meanings ascribed thereto below:

(i) "Public" shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(ii) "Underwriter" shall mean: (a) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public). The representations set forth in this certificate are limited to factual matters only.

(iii) "Yield" shall mean that discount rate, determined on the basis of semi-annual interest compounding (based on a 360 day year consisting of twelve (12) months of thirty (30)

days each), which, when used in computing the present value of all unconditionally payable payments of principal of an interest (including original issue discount, if any), paid or to be paid on the Bonds to maturity [or, in the case of the Bonds that are subject to optional redemption and are issued with an original issue premium in excess of twenty-five one-hundredths percent (0.25%) times the number of years to the first optional call date (the "Yield-to-Call Bonds"), to the optional call date that produces the lowest yield on each maturity of the Yield-to-Call Bonds,] [and the payment of a premium ("Premium") in respect of a municipal bond insurance policy ("Municipal Bond Insurance") issued by _____ ("___"),] produces an amount equal to the aggregate issue price thereof.

[(iv) "Holding Period" means the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date; or (ii) the date on which the Underwriter has sold at least 10% of the Bonds to the Public at a price that is no higher than the Initial Offering Price.]

[[7/8]. The Premium is to be paid on the date hereof by the Underwriter. The Premium (other than any amount paid separately to a rating agency in connection with issuance of the Municipal Bond Insurance by ___) is treated as additional interest on the Bonds. Such fee results in a savings when compared to the present value of the interest to be saved. As determined by the Underwriter, present value is computed by using the yield-to-maturity on the Bonds (taking such fee into account) as the discount rate.]

[8/9]. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Township with respect to certain of the representations set forth in the Certificate as to Nonarbitrage and Other Tax Matters and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker McCay P.A. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Township from time to time relating to the Bonds.

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IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of December, 2019.

_____,
as Underwriter

By: _____
[NAME], [Title]

DRAFT

[Schedule A]

DRAFT

[Schedule B]

DRAFT

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This Preliminary Official Statement is deemed final by the Township within the meaning and for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 3, 2019

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

\$3,825,000
TOWNSHIP OF RIVERSIDE
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2019
(Bank Qualified) (Callable)

Dated: Date of Delivery

Due: December 15, as shown on inside front cover

The Township of Riverside, County of Burlington, New Jersey ("Township") is issuing \$3,825,000 aggregate principal amount of its General Obligation Bonds, Series 2019 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as bond registrar and paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on June 15 and December 15 ("Interest Payment Dates"), commencing June 15, 2020, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions stated herein.

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Bond Ordinances 2003-08, 2006-17, 2008-10, 2009-01, 2009-07, 2010-16, 2011-02, 2012-04, 2013-03, 2014-07, 2015-09, 2016-08, 2017-04 and 2019-08, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution duly adopted by the Township Committee on November 18, 2019; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on December __, 2019.

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

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

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Albert K. Marmero, Esquire of the firm Grace Marmero & Associates LLP, Woodbury, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about December 19, 2019.

\$3,825,000
TOWNSHIP OF RIVERSIDE
County of Burlington, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2019

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u>	<u>General Improvement</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹</u>
2020	\$235,000	%	%	
2021	270,000			
2022	280,000			
2023	260,000			
2024	270,000			
2025	275,000			
2026	250,000			
2027	260,000			
2028	270,000			
2029	275,000			
2030	285,000			
2031	290,000			
2032	300,000			
2033	305,000			

¹CUSIP is a 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 Township does not make any representations 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 specified maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the 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.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, NEW JERSEY**

Elected Officials

Lorraine M. Hatcher	Mayor
Jason Frey	Deputy Mayor
Corey Kimble	Committee member
Michael Higgins	Committee member
Michelle Weaver	Committee member

**Meghan Jack
Administrator**

**Susan Dydek
Township Clerk**

**Michael Mansdoerfer
Chief Financial Officer**

**Solicitor
Albert K. Marmero, Esquire
Grace Marmero & Associates LLP
Woodbury, New Jersey**

**Accountant
Bowman & Company LLP
Voorhees, New Jersey**

**Auditor
Mercadien, P.C.
Hamilton, New Jersey**

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

**Municipal Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey**

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

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

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORIZATION FOR THE BONDS	1
PURPOSE OF THE ISSUE	1
DESCRIPTION OF THE BONDS	2
General	2
Redemption Provisions	3
Book-Entry-Only System	4
Discontinuance of Book-Entry-Only System	6
SECURITY FOR THE BONDS	7
GENERAL INFORMATION REGARDING THE TOWNSHIP	7
General	7
Financial	7
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT	7
Local Bond Law	7
Local Fiscal Affairs Law	8
Local Budget Law	9
Miscellaneous Revenues	10
Real Estate Taxes	11
Deferral of Current Expenses	11
Budget Transfers	12
Capital Budget	12
Related Constitutional and Statutory Provisions	12
The Municipal Finance Commission	13
Limitation of Remedies Under Federal Bankruptcy Code	13
TAXATION	14
Procedure for Assessment and Collection of Taxes	14
Tax Appeals	14
TAX MATTERS	15
Federal	15
New Jersey	16
Changes in Federal and State Tax Law	16
LITIGATION	17
RATING	17
PREPARATION OF OFFICIAL STATEMENT	17
UNDERWRITING	18
LEGALITY FOR INVESTMENT	18
MUNICIPAL ADVISOR	18
NO DEFAULT	19
CONTINUING DISCLOSURE	19
LEGAL MATTERS	19
ADDITIONAL INFORMATION	20
APPENDIX A: CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF RIVERSIDE	
APPENDIX B: FINANCIAL STATEMENTS OF THE TOWNSHIP OF RIVERSIDE	
APPENDIX C: FORM OF BOND COUNSEL OPINION	
APPENDIX D: FORM OF CONTINUING DISCLOSURE AGREEMENT	

\$3,825,000
TOWNSHIP OF RIVERSIDE
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2019

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Riverside, County of Burlington, New Jersey ("Township") of its \$3,825,000 aggregate principal amount of General Obligation Bonds, Series 2019 ("Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2003-08, 2006-17, 2008-10, 2009-01, 2009-07, 2010-16, 2011-02, 2012-04, 2013-03, 2014-07, 2015-09, 2016-08, 2017-04 and 2019-08 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution duly adopted by the Township Committee on November 18, 2019; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on December __, 2019.

PURPOSE OF THE ISSUE

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

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

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Bond Ordinances

Ordinance Number	Obligations Authorized	Notes Outstanding	Additional Amounts	Bonds to be Issued
2003-08	\$406,125	\$90,400	\$204,700	\$295,100
2006-17	427,500	323,000	15,000	338,000
2008-10	1,021,250	94,900	5,900	100,800
2009-01	33,250	24,700	1,300	26,000
2009-07	257,212	257,200	0	257,200
2010-16	95,000	86,000	970	86,970
2011-02	330,600	175,000	4,130	179,130
2012-04	666,710	411,000	0	411,000
2013-03	228,000	176,500	0	176,500
2014-07	332,500	281,800	0	281,800
2015-09	617,500	447,500	0	447,500
2016-08	389,500	370,000	0	370,000
2017-04	332,500	332,500	0	332,500
2019-08	522,500	0	522,500	522,500
TOTAL	\$5,660,147	\$3,070,500	\$754,500	\$3,825,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$3,825,000. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on June 15 and December 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing June 15, 2020, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth below. The Bonds will mature on December 15 in the years and in the principal amounts all as shown on the inside front cover page of this Official Statement.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as registrar and paying agent ("Paying Agent"). Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the principal office of the Paying Agent, as of the close of business on the first (1st) day of the calendar month containing an Interest Payment Date (each a "Record Date").

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

Redemption Provisions

The Bonds maturing on and after December 15, 2027 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after December 15, 2026, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

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

Book-Entry-Only System¹

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

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

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

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

¹ Source: The Depository Trust Company

the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

The Township 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 Township believes to be reliable, but neither the Township nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuance of Book-Entry-Only System

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

SECURITY FOR THE BONDS

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

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2018 and 2017. The financial data was provided by Mercadien, P.C., Hamilton, New Jersey, and is included herein in reliance upon the authority of such firm. Mercadien, P.C., Hamilton, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete reports of audit may be obtained upon request to the office of the Clerk of the Township.

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

Local Bond Law

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

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

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

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

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

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

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

Local Fiscal Affairs Law

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

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

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

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

Local Budget Law

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

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

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

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

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Bonds. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual

percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

The Municipal Finance Commission

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was effective for the year 2019.

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

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

Tax Appeals

The State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the New Jersey Board of

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

TAX MATTERS

Federal

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

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

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

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

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

adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

LITIGATION

To the knowledge of the Township's Solicitor, Albert K. Marmero, Esquire, of the firm Grace Marmero & Associates LLP, Woodbury, New Jersey ("Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

Moody's Investors Service ("Rating Agency") has assigned a rating of "A1" to the Bonds based upon the creditworthiness of the Township.

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

PREPARATION OF OFFICIAL STATEMENT

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

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

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

Bowman & Company LLP, Voorhees, New Jersey, compiled this Official Statement from information obtained from Township management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and

completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Mercadien, P.C. has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. Mercadien, P.C. does take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Independent Auditor's Report.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated December __, 2019. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

LEGALITY FOR INVESTMENT

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

MUNICIPAL ADVISOR

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

NO DEFAULT

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

CONTINUING DISCLOSURE

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

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) audited financial information for the fiscal years ended December 31, 2014, 2015 and 2016; and (ii) operating data for the fiscal years ended December 31, 2014, 2015, 2016, 2017 and 2018. Additionally, the Township previously failed to file late filing notices in connection with its untimely filings of audited financial information and operating data, all as described above. Such notices of late filings have since been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA"). The Township appointed Phoenix Advisors, LLC in November of 2019 to serve as continuing disclosure agent.

LEGAL MATTERS

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

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Michael Mansdoerfer, Chief Financial Officer, Township of Riverside, at 856-461-1460, or to the Township's Municipal Advisor, Phoenix Advisors, LLC at 609-291-0130.

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

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

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

TOWNSHIP OF RIVERSIDE, NEW JERSEY

By: _____
MICHAEL MANSDOERFER, Chief Financial Officer

Dated: December __, 2019

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION
REGARDING THE TOWNSHIP OF RIVERSIDE**

TOWNSHIP OF RIVERSIDE (1)

General Information

The Township of Riverside (the "Township") is located on the Rancocas Creek just above its confluence with the Delaware River in the northwestern part of Burlington 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 709.5 acres are developed and 277 acres are vacant.

The Township is 36.14 percent single-family residential use, 1.44 percent two, three and multi-family use, 5.92 percent commercial, 4.43 percent industrial, 5.94 percent public, 3.01 percent quasi-public, 15.02 percent streets and right-of-ways and 28.10 percent vacant consisting of almost entirely undeveloped land. Included in the vacant land category is a portion of Rancocas Creek and tidal marsh, the undeveloped land lying between low and high water lines of the Creek. Other than the Creek and tidal marsh land, only 34 acres of land is vacant, 3 percent of the total land area.

Housing

The Township offers the advantages of life in a developed township. Thirty-six percent of the Township land area is covered with single-family residential homes. There are two redevelopment areas within the Township that are slated for residential redevelopment, which will result in approximately 350-600 new housing units. The housing neighborhoods are a blend of older and newer neighborhoods. The older neighborhoods consist of two-story row or semi-detached units on small lots. The new neighborhoods consist of one story ranch and split level units on larger lots. The housing in the Township is in relatively good physical condition and the neighborhoods are generally free of blighted areas.

Recreation

The Township offers a range of recreational facilities and areas. There are four 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.

The Township has just received a \$625,000.00 grant and a \$125,000.00 loan from the New Jersey Department of Environmental Protection under the Green Acres Program for improvements to Whomsley Field.

Police

Sixteen full-time officers serve to provide public safety to the residents of Riverside. 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.

(1) Unless otherwise indicated, the information in this section was provided by the Township.

Fire Protection and Emergency Services

The Township is served by one volunteer fire company organized through a fire district. The fire company is equipped with modern fire fighting apparatus, including three pumpers and an aerial ladder.

Twenty-four hour ambulance service is provided by a third party, which is comprised of a 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 the Riverside residents is a recycling drop-off center located at the Public Works Garage.

Riverside Sewerage Authority

The Riverside Sewerage Authority was established by the Riverside Township Committee in the early part of 1947. The Authority itself was organized in February, 1947.

The governing body of the Authority consists of five 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 Riverside Township as well as a portion of the neighboring town, Delran Township. The collection system consists of four lift stations, three in Riverside and one in Delran Township. Riverside 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.

Township Employees

The Township employs the following number of people.

December 31,		
<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>71</u>	<u>74</u>	<u>73</u>

Transportation

New Jersey Transit constructed the Light Rail Train Station in 2004, which runs from Trenton to Camden through the towns which occupy the area which has been dubbed the "Route 130 Corridor". Riverside Township has been designated as one of the primary stops along the light rail line.

New Jersey Transit provides bus routes from the Township area to Camden and Philadelphia. The routes are available at the Route 130 Fairview Street intersection, located one-half mile from the Township.

The New Jersey Department of Transportation has awarded the Township a \$250,000.00 grant under the Municipal Aid Program for roadway reconstruction.

Employee Collective Bargaining Units

The Township has one current labor contract. This contract, covering 16 police officers, was negotiated in 2018 and will expire in 2021.

The Township also has eleven (11) other full-time employees not covered by a labor contract.

Accumulated Vacation and Sick Leave

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated from year to year. Vacation days not used during the year may be accumulated and carried forward to the subsequent year, but an individual may carry no more than one year of time.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one-half compensated day for every day accumulated. The current policy calls for a maximum pay-out of \$15,000.00 for all full-time employees.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2018, the balance of the fund was \$45,000.00. It is estimated that at December 31, 2018, accrued benefits for compensated absences are valued at \$242,244.03.

Pension Costs

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the state. For additional information regarding pension costs, see Appendix B: Financial Statements of the Township, Note M to Financial Statements.

Population(1)

2010 Federal Census	8,079
2000 Federal Census	7,911
1990 Federal Census	7,974
1980 Federal Census	7,941
1970 Federal Census	8,591

Selected Census 2017 Data on the Township(1)

Median Household Income	\$60,885
Median Family Income	\$69,453
Per Capita Income	\$26,735

Labor Force(2)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township					
Labor Force	4,375	4,420	4,437	4,472	4,475
Employment	4,204	4,241	4,236	4,223	4,159
Unemployment	171	179	201	249	316
Unemployment Rate	3.9%	4.0%	4.5%	5.6%	7.1%
County					
Labor Force	227,445	230,174	230,271	230,059	228,530
Employment	218,877	220,764	219,995	217,756	213,837
Unemployment	8,568	9,410	10,276	12,303	14,693
Unemployment Rate	3.8%	4.1%	4.5%	5.3%	6.4%
State					
Labor Force	4,422,900	4,453,500	4,474,700	4,489,000	4,487,000
Employment	4,239,600	4,247,500	4,252,100	4,229,200	4,183,500
Unemployment	183,400	206,000	222,600	259,800	303,500
Unemployment Rate	4.1%	4.6%	5.0%	5.8%	6.8%

Business and Industry

Riverside Township is home to well over one hundred different businesses and industries serving the residents of Burlington County as well as the region and the country and boasts one of the few remaining downtown business districts.

There is a large variety of business in Riverside Township which encompasses the retail, wholesale, commercial, service sectors of the economy to name a few.

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

(2) Source: New Jersey Department of Labor and Workforce Development

FIVE LARGEST NON-GOVERNMENTAL EMPLOYERS

The five largest non-governmental employers in the Township are as follows.

<u>Employer</u>	<u>Nature of Business</u>
Keymar	Manufacturing/Warehousing
Madison Cafe	Restaurant
Paramount Drug	Pharmacy
Meatshoppers	Supermarket
PSE&G	Utility Substation

BUILDING, ZONING AND DEVELOPMENT CODES

The Township has established Zoning Regulations governing the size of lots for various types of construction. The Township is divided into seven classes of Districts. Lot sizes and permitted uses are set forth by ordinance for each District.

The Township building codes conform to standards of the Uniform Construction Code of New Jersey. The codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law on August 22, 1979. The Municipal Land Use Law gave the Township Zoning and Planning Board authority to regulate most land use other than family residential use. In that way, the Township is able to guide the approximate use or development of land to promote the public health, safety, mural and general welfare of their residents.

Building Permits(1)

The Township records of certificates of occupancy permits issued by the Township Construction Code Officer illustrate the following growth patterns within the Township for years 2019 through 2014.

<u>Year</u>	<u>Permits Issued</u>	<u>Value of Construction</u>
2019 (2)	322	\$4,123,695
2018	384	3,916,882
2017	433	4,757,486
2016	380	8,569,392
2015	354	4,621,948
2014	311	3,670,240

(1) Source: Township's Construction Office

(2) As of October 29, 2019

EDUCATION(1)

Primary and Secondary Education

The Township's public school system is operated by The Board of Education of the Township of Riverside in the County of Burlington, State of New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed thereby), as a Type II school district in which the registered voters of the School District elect the members of the Board and vote upon the budget and other fiscal matters. The School District is coterminous with the Township which is approximately 1.6 square miles and is bordered by the Townships of Delran and Delanco.

The School District provides a full range of educational services appropriate to grades pre-kindergarten through twelve, including regular and special education programs. The School District is serviced by three (3) schools known as the Riverside Elementary School, the Riverside Middle School and the Riverside High School. The Riverside Elementary School accommodates grades pre-kindergarten through five (5), the Riverside Middle School accommodates grades six (6) through eight (8) and the Riverside High School accommodates grades nine (9) through twelve (12).

The Board functions independently through a ten (10) member board, elected by the School District's voters to staggered three-year terms. The Board appoints a Superintendent and a Business Administrator/Board Secretary who are responsible for budgeting, planning and operational functions of the School District.

TOWNSHIP OF RIVERSIDE SCHOOL DISTRICT SCHOOL ENROLLMENTS(1)

Grade	2019(2)	2018	<u>October 15,</u> 2017	2016	2015
Pre-Kindergarten	86	78	88	84	79
K	87	90	85	101	99
1	95	91	89	99	115
2	88	88	95	110	103
3	86	93	109	98	90
4	98	101	86	95	83
5	104	81	94	86	88
6	87	92	77	79	65
7	92	73	74	63	81
8	73	84	62	84	73
9	116	92	110	101	85
10	69	86	91	75	91
11	89	89	76	91	96
12	83	71	88	94	85
Special Education	<u>183</u>	<u>169</u>	<u>161</u>	<u>147</u>	<u>166</u>
Totals	<u>1,436</u>	<u>1,378</u>	<u>1,385</u>	<u>1,407</u>	<u>1,399</u>

(1) Source: School District officials

(2) Unaudited

PRESENT SCHOOL FACILITIES AND ENROLLMENT(1)

<u>Name of School</u>	<u>Grades</u>	<u>Enrollment Oct. 15, 2019</u>
Riverside Elementary School	Pre-K-5	714
Riverside Middle School	6-8	295
Riverside High School	9-12	<u>427</u>
		<u>1,436</u>

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or the "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Freeholder Board sponsors the College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the "3+1" program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. All of the academic programs have been moved to Mount Laurel, leaving only athletics and aquatic classes in Pemberton. An athletic facility is in the plans for Mount Laurel. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, \$25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's enrollment as of Spring 2019 consisted of 7,626 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

(1) Source: School District officials

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 1,972 students as of June 30, 2018.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2017-18 academic year is 607 students.

CERTAIN TAX INFORMATION
TEN LARGEST TAXPAYERS(1)

The following table outlines the assessed value of the ten (10) largest commercial properties within the Township.

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2019 Assessed Valuation</u>
River Terrace Associates	Apartments	\$ 4,128,300
Remy Investments	Industrial	2,498,500
Barbarberg/Riverside Garden	Apartments	2,239,300
Watchcase Joint Venture Assoc.	Apartments	2,071,600
PSE&G	Utilities	2,000,000
Riverside Norse, LLC	Apartments	1,634,100
Monroe Premier Properties	Restaurants	1,337,900
Keymar Inc.	Warehouse Storage	1,184,700
Teicher Organization at Riverside, LLC	Lots	982,600
Verizon	Telecommunications	905,700

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Outstanding Dec. 31</u>		<u>Collected in Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2018	\$ 16,116,980	\$ 582,988	3.62%	\$ 15,407,039	95.60%
2017	15,732,956	503,065	3.20%	15,147,695	96.28%
2016	15,297,184	390,822	2.55%	14,718,300	96.22%
2015	15,042,221	350,916	2.33%	14,483,518	96.29%
2014	14,550,840	545,868	3.75%	13,843,998	95.14%

(1) Source: Township Tax Assessor
(2) Source: Township Reports of Audits.

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2018	\$ 518,477	\$ 2,802	\$ 493,953	94.76%	\$ 4,405	-	\$ 22,921
2017	398,363	6,250	389,097	95.18%	-	\$ 104	15,412
2016	366,376	9,285	363,771	92.15%	-	4,350	7,540
2015	546,956	16,088	494,653	95.71%	52,431	500	15,460
2014	399,548	10,941	388,915	93.86%	14,638	5,849	1,087

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected</u>		
2018	\$ 473,377	\$ 69,792	\$ 6,330	-	\$ 536,839
2017	416,321	58,374	1,318	-	473,377
2016	372,546	160,964	117,189	-	416,321
2015	150,797	245,776	24,027	-	372,546
2014	23,410	142,725	-	\$ 15,338	150,797

FORECLOSED PROPERTY(1)(2)

<u>Year</u>	<u>Balance Dec. 31</u>
2018	\$ 154,500
2017	154,500
2016	154,500
2015	154,500
2014	154,500

(1) Source: Township Reports of Audits.

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

**NET ASSESSED VALUATIONS AND
ANNUAL TAX RATES (2)**

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (3)</u>				
		<u>Total</u>	<u>Local</u>		<u>Fire</u>	
		<u>Rate</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>	<u>District</u>
2019 (1) \$	436,533,200	\$ 3.748	\$ 0.404	\$ 2.088	\$ 1.148	\$ 0.108
2018	432,551,546	3.725	0.423	2.067	1.128	0.107
2017	433,942,950	3.624	0.402	2.010	1.105	0.107
2016	438,314,450	3.490	0.395	1.937	1.053	0.105
2015	439,090,250	3.423	0.398	1.898	1.022	0.105

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA(4)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (5)</u>
2019 (1) \$	436,533,100	99.46%	\$ 438,903,177	\$ 54,326
2018	432,551,450	95.61%	452,412,352	55,999
2017	433,942,850	102.08%	425,100,754	52,618
2016	438,314,350	104.55%	419,238,977	51,892
2015	439,090,150	104.95%	418,380,324	51,786

REAL PROPERTY CLASSIFICATION(6)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>					
	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	
2019 (1) \$	\$ 436,533,100	\$ 6,665,600	\$ 372,118,100	\$ 36,335,100	\$ 6,888,900	\$ 14,525,400
2018	432,551,450	7,482,800	369,819,350	33,956,000	8,031,900	13,261,400
2017	433,942,850	7,508,700	371,039,850	34,101,000	8,031,900	13,261,400
2016	438,314,350	8,533,400	372,472,450	34,311,000	9,736,100	13,261,400
2015	439,090,150	8,578,400	373,019,250	34,455,000	9,736,100	13,301,400

(1) Revaluation

(2) Source: Township Tax Collector

(3) Per \$100 of assessed valuation

(4) Source: State of New Jersey, Department of Treasury, Division of Taxation

(5) Based on 2010 Census of 8,079

(6) Source: Township Tax Assessor

**TOWNSHIP OF RIVERSIDE
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township of Riverside in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, and debt authorized but not issued, including General and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, and reserve for payment of debt. The resulting net debt of \$6,120,441 represents 1.389% of the average of equalized valuations for the Township for the last three years, of \$440,647,991 within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	<u>Debt Issued</u>		Debt Auth. But Not <u>Issued</u>	Gross <u>Debt</u>	<u>Deductions</u>		Net <u>Debt</u>
	<u>Bonds</u>	<u>Notes</u>			<u>School Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 1,326,000	\$ 3,267,500	\$ 1,596,109	\$ 6,189,609		\$ 69,168	\$ 6,120,441
School - Local	3,370,000			3,370,000	\$ 3,370,000		
	<u>\$ 4,696,000</u>	<u>\$ 3,267,500</u>	<u>\$ 1,596,109</u>	<u>\$ 9,559,609</u>	<u>\$ 3,370,000</u>	<u>\$ 69,168</u>	<u>\$ 6,120,441</u>

(1) As of December 31, 2018

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2016, 2017 and 2018	\$	440,647,991
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2016, 2017 and 2018		1.39%
2019 Net Valuation Taxable	\$	436,533,200
2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	438,903,277
Gross Debt (2)		
As a Percentage of 2019 Net Valuation Taxable		2.19%
As a Percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.18%
Net Debt (2)		
As a Percentage of 2019 Net Valuation Taxable		1.40%
As a Percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.39%
Gross Debt per Capita(3)	\$	1,183
Net Debt per Capita(3)	\$	758

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2016-18) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$440,647,991)	\$	15,422,680
Net Debt		<u>(6,120,441)</u>
Remaining Borrowing Capacity	\$	<u>9,302,239</u>

- (1) As of December 31, 2018
(2) Excluding overlapping debt
(3) Based on 2010 population of 8,079

LOCAL SCHOOL BORROWING CAPACITY(1)

4% of Average (2016-18) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$440,647,991)	\$	17,625,920
Local School Debt		<u>(3,370,000)</u>
Remaining Borrowing Capacity	\$	<u><u>14,255,920</u></u>

(1) As of December 31, 2018

**TOWNSHIP OF RIVERSIDE
OVERLAPPING DEBT
AS OF DECEMBER 31, 2018**

	DEBT ISSUED				Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General:					
Bonds	\$ 184,476,000	\$ 22,040,827 (1)	\$ 162,435,173	\$ 1,567,605 (2)	
Notes	63,165,000		63,165,000	609,583 (2)	\$ 23,628,813
Loans	4,232,328		4,232,328	40,845 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	353,917,000	353,917,000 (3)			
Solid Waste Utility	49,810,000	49,810,000			3,209,310
	<u>\$ 655,600,328</u>	<u>\$ 425,767,827</u>	<u>\$ 229,832,501</u>	<u>\$ 2,218,033</u>	<u>\$ 26,838,123</u>

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2018 Net Valuations on which County taxes are apportioned, which is 0.97% .

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

**TOWNSHIP OF RIVERSIDE
SCHEDULE OF TOWNSHIP DEBT SERVICE
(BONDS AND LOANS ONLY)**

<u>Year</u>	<u>Existing Debt (1)</u>			<u>2019 Proposed General Obligation Bonds</u>		
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 53,040	\$ 127,000	\$ 180,040			
2020	46,620	134,000	180,620		\$ 235,000	
2021	42,600	136,000	178,600		270,000	
2022	37,160	139,000	176,160		280,000	
2023	31,600	148,000	179,600		260,000	
2024	25,680	151,000	176,680		270,000	
2025	19,640	159,000	178,640		275,000	
2026	11,600	168,000	179,600		250,000	
2027	6,560	164,000	170,560		260,000	
2028					270,000	
2029					275,000	
2030					285,000	
2031					290,000	
2032					300,000	
2033					305,000	
	<u>\$ 274,500</u>	<u>\$ 1,326,000</u>	<u>\$ 1,600,500</u>	<u>\$ -</u>	<u>\$ 3,825,000</u>	<u>\$ -</u>

(1) As of June 30, 2019

Source: Township Debt Schedules

**TOWNSHIP OF RIVERSIDE
2019 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 455,500
Miscellaneous Revenues:	
Local Revenues	253,000
State Aid without Offsetting Appropriations	788,872
Dedicated Uniform Construction Code Fees	50,000
Public and Private Programs Offset with Appropriations	285,498
Other Special Items of Revenue	286,213
Receipts from Delinquent Taxes	350,000
Amount to be Raised by Taxation for Municipal Purposes	5,012,061
Total Appropriated Revenues	\$ 7,481,144
Appropriations:	
Within CAPS:	
Operations	\$ 5,318,695
Deferred Charges and Statutory Expenditures	554,506
Excluded from CAPS:	
Other Operations	17,915
Public and Private Programs	289,057
Capital Improvements	17,500
Debt Service	474,940
Deferred Charges	79,600
Reserve for Uncollected Taxes	728,931
Total Appropriations	\$ 7,481,144

**CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2019 - 2021 (1)**

	Estimated Total Cost	Capital Improvement Fund	Bonds and Notes General
General Improvements:			
Roadway Improvement Program	\$ 620,000	\$ 31,000	\$ 589,000
Municipal Building Improvements	250,000	12,500	237,500
Technology Upgrades	100,000	5,000	95,000
	\$ 970,000	\$ 48,500	\$ 921,500

(1) 2019 Adopted Budget.

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF RIVERSIDE

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON,
STATE OF NEW JERSEY**

FINANCIAL STATEMENTS

December 31, 2018

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Title</u>	<u>Page Number</u>
	INDEPENDENT AUDITORS' REPORT	
	Independent Auditors' Report.....	1
	BASIC FINANCIAL STATEMENTS – REGULATORY BASIS	
	<u>Current Fund</u>	
A	Statements of Assets, Liabilities, Reserves and Fund Balance	4
A-1	Comparative Statement of Operations and Changes in Fund Balance.....	6
A-2	Statement of Revenues	7
A-3	Statement of Expenditures	9
	<u>Trust Funds</u>	
B	Statements of Assets, Liabilities, Reserves and Fund Balance	14
	<u>General Capital Fund</u>	
C	Statements of Assets, Liabilities, Reserves and Fund Balance	15
	<u>General Fixed Assets Account Group</u>	
E	Statements of General Fixed Assets.....	16
	Notes to Financial Statements	17

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Committee
Township of Riverside
County of Burlington
Riverside, New Jersey 08075

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Riverside, County of Burlington, State of New Jersey (the “Township”), as of and for the year ended December 31, 2018, and the related notes to financial statements, which comprise the Township’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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility (Continued)

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the Township, as of December 31, 2018, and the results of operations and changes in financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

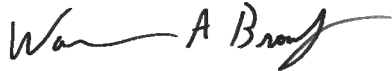
Emphasis of Matter

In 2018, the Township adopted new accounting guidance Governmental Accounting Standards Board Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Summarized Comparative Information

We have previously audited the Township's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 30, 2018, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 26, 2019

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2018

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Fund:		
Treasurer:		
Cash	\$ 2,101,647.42	\$ 2,081,146.41
Collector:		
Cash	3,215,930.23	3,058,740.75
Petty Cash/Change Funds	<u>700.00</u>	<u>700.00</u>
	<u>5,318,277.65</u>	<u>5,140,587.16</u>
Receivables with Full Reserves:		
Delinquent Property Taxes Receivable	605,909.63	518,477.34
Tax Title Liens Receivable	536,839.49	473,377.41
Property Acquired for Taxes - Assessed Valuation	154,500.00	154,500.00
Revenue Accounts Receivable	9,827.40	30,187.89
Due Burlington County	636.00	636.00
Due Riverside Sewerage Authority	60,546.31	57,759.74
Due Grant Fund	295,256.82	
Due Trust Fund - Animal Control	10,137.21	46.00
Due Trust Fund - Other	<u>109,140.15</u>	<u>66,102.36</u>
	<u>1,782,793.01</u>	<u>1,301,086.74</u>
Deferred Charges:		
Special Emergency	148,800.00	198,400.00
Emergency	<u>30,000.00</u>	
	<u>178,800.00</u>	<u>198,400.00</u>
	<u>7,279,870.66</u>	<u>6,640,073.90</u>
Federal and State Grant Fund:		
Cash	181,882.13	295,577.84
Due General Capital Fund	8,256.45	8,256.45
Federal and State Grants Receivable	<u>835,144.33</u>	<u>366,810.02</u>
	<u>1,025,282.91</u>	<u>670,644.31</u>
	<u>\$ 8,305,153.57</u>	<u>\$ 7,310,718.21</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2018

LIABILITIES, RESERVES
AND FUND BALANCE

Current Fund:

Liabilities:

Appropriation Reserves	\$ 616,645.52	\$ 479,054.90
Reserve for Encumbrances	54,440.18	40,551.90
Accounts Payable	105,737.22	99,967.69
Special Emergency Note Payable	148,800.00	198,400.00
Prepaid Taxes	135,599.09	180,860.35
Tax Overpayments	5,869.77	2,913.44
Local School Tax Payable	1,836,380.54	1,727,875.04
Due County for Added and Omitted Taxes	503.48	761.19
Reserve for Tax Map Preparation and Revaluation	62,857.92	201,172.66
Due State of New Jersey:		
Senior Citizens & Veterans	4,299.49	8,279.97
Marriage License Fees	695.00	820.00
State Training Fees	864.00	1,106.00
Burial Permits	575.00	580.00

2,973,267.21 2,942,343.14

Reserve for Receivables and Other Assets 1,782,793.01 1,301,086.74

Fund Balance 2,523,810.44 2,396,644.02

7,279,870.66 6,640,073.90

Federal and State Grant Fund:

Reserve for Grants Appropriated 639,876.76 551,933.01

Reserve for Grants Unappropriated 90,149.33 101,498.66

Reserve for Encumbrances 295,256.82 17,212.64

Due Current 1,025,282.91 670,644.31

1,025,282.91 670,644.31

\$ 8,305,153.57 \$ 7,310,718.21

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 388,000.00	\$ 202,250.00
Miscellaneous Revenues Anticipated	2,299,503.99	1,934,757.99
Receipts from Delinquent Taxes and Tax Title Liens	500,283.22	390,414.63
Revenue from Current Taxes	15,407,039.44	15,147,695.04
Non-Budget Revenue	201,932.26	156,496.95
Other Credits to Income:		
Liquidation of Prior Year Reserve	18,600.00	
Statutory Excess in Dog Fund	9,978.41	
Reserve for Interfund Receivable Liquidated		44,523.24
Unexpended Balance of Appropriation Reserves	346,021.29	380,881.62
	<u>19,171,358.61</u>	<u>18,257,019.47</u>
Total Income	19,171,358.61	18,257,019.47
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations - Salaries and Wages	2,770,880.81	2,482,319.90
Operations - Other Expenses	2,535,362.54	2,424,781.53
Deferred Charges and Statutory Expenditures	519,420.32	563,182.96
Excluded from "CAPS":		
Operations - Other Expenses	777,611.01	303,326.32
Capital Improvements	17,500.00	17,500.00
Municipal Debt Service	413,632.39	560,254.46
Deferred Charges	63,115.90	49,600.00
County Taxes	1,825,145.02	1,740,468.96
Due County for Added and Omitted Taxes	503.48	761.19
Local District School Tax	8,941,355.00	8,724,344.00
Special District Taxes	460,211.00	460,211.00
Other Debits to Income:		
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	2,802.15	6,250.00
Refund of Prior Year Revenue	6,773.25	5,021.05
Refund of Prior Year Revenue - Tax Overpayments	16,694.36	
Reserve for Receivable Created	511.91	21,020.94
Reserve for Interfund Receivables Created	334,673.05	
	<u>18,686,192.19</u>	<u>17,359,042.31</u>
Total Expenditures	18,686,192.19	17,359,042.31
Excess in Revenues	485,166.42	897,977.16
Adjustments to Income Before Fund Balance:		
Expenditures included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	30,000.00	
	<u>30,000.00</u>	
Statutory Excess to Fund Balance	515,166.42	897,977.16
<u>Fund Balance</u>		
Balance Jan. 1	<u>2,396,644.02</u>	<u>1,700,916.86</u>
	2,911,810.44	2,598,894.02
Decreased by:		
Utilized as Revenue	<u>388,000.00</u>	<u>202,250.00</u>
Balance Dec. 31	<u>\$ 2,523,810.44</u>	<u>\$ 2,396,644.02</u>

See notes to financial statements.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2018

	<u>Budget</u>	Special <u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 388,000.00		\$ 388,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	28,000.00		28,064.00	\$ 64.00
Other	16,000.00		87,063.25	71,063.25
Municipal Court Fines and Costs	130,000.00		145,879.95	15,879.95
Interest and Costs on Taxes	65,000.00		100,694.66	35,694.66
Consolidated Municipal Property Tax Relief Aid	20,026.00		20,026.00	
Energy Receipts Tax	768,846.00		768,846.00	
Uniform Construction Code Fees	50,000.00		68,878.00	18,878.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues Off-Set with Appropriations:				
Municipal Drug Alliance (C.A.S.A.)	14,235.00		14,235.00	
NJ Department of Transportation Grant	446,000.00		446,000.00	
Recycling Tonnage Grant	7,155.75		7,155.75	
Highway Traffic Safety Grants:				
Impaired Driving Counter Measure	10,500.00		10,500.00	
Distracted Driving		\$ 6,600.00	6,600.00	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Burlington County Municipal Park Development Program	250,000.00		250,000.00	
Alcohol Education and Rehabilitation Grant		1,244.95	1,244.95	
Clean Communities Grant		14,901.56	14,901.56	
Other Special Items:				
Uniform Fire Safety - Life Safety Hazard Fees	5,000.00		12,213.18	7,213.18
Uniform Fire Safety - Miscellaneous	5,000.00		3,422.00	(1,578.00)
Property Maintenance Inspection Fees	15,000.00		19,350.00	4,350.00
Rental Registration	60,000.00		83,820.00	23,820.00
School Resource Officer	46,500.00		46,500.00	
Cable TV Franchise Fees	24,429.84		24,429.84	
Reserve to Pay Debt - FEMA	20,000.00		20,000.00	
Riverside Sewerage Authority - Lease Agreement	55,000.00		55,000.00	
Riverside Sewerage Authority - Interest on Bond Anticipation Notes	7,679.85		7,679.85	
Riverside Sewerage Authority - Reserve for Payment of Notes	51,500.00		51,500.00	
Total Miscellaneous Revenues	<u>2,095,872.44</u>	<u>28,246.51</u>	<u>2,299,503.99</u>	<u>175,385.04</u>
Receipts From Delinquent Taxes	<u>300,000.00</u>		<u>500,283.22</u>	<u>200,283.22</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>4,882,582.74</u>		<u>4,806,712.62</u>	<u>(75,870.12)</u>
Budget Totals	<u>7,666,455.18</u>	<u>28,246.51</u>	<u>7,994,499.83</u>	<u>299,798.14</u>
Non-Budget Revenue			<u>201,932.26</u>	<u>201,932.26</u>
	<u>\$ 7,666,455.18</u>	<u>\$ 28,246.51</u>	<u>\$ 8,196,432.09</u>	<u>\$ 501,730.40</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES (CONTINUED)**

Year Ended December 31, 2018

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 15,407,039.44
Allocated to County, School, Open Space and Special District Taxes	<u>11,227,214.50</u>
	4,179,824.94
Add: Appropriation "Reserve for Uncollected Taxes"	<u>626,887.68</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 4,806,712.62</u>

Receipts from Delinquent Taxes:

Receipts - Delinquent Tax Collections	\$ 493,953.50
Receipts - Tax Title Liens Receivable	<u>6,329.72</u>
	<u>\$ 500,283.22</u>

Analysis of Non-Budget Revenues

Receipts:

Treasurer:

Vital Statistics	\$ 7,809.00
Burial Permits	310.00
Tax Searches	120.00
Payment in Lieu of Taxes	3,243.00
Police Reports	572.55
Insufficient Check Charge	340.00
Photocopies	5.55
Interest on Investments	16,899.60
Construction Code Official Fees	2,050.00
Clear Channel	1,950.20
Delran Gasoline Reimbursements	27,935.70
Landlord Penalties	17,730.00
Bid Specification Fees	220.00
Marriage Performance Fees	300.00
Restitution	1,200.00
Police Outside Services Administrative Fees	1,330.00
Police Outside Services Vehicle Fees	2,330.00
Towing Fees	560.00
Senior Citizens' and Veterans' Administrative Fee	1,304.89
Older Dog License Fee	917.40
SNJ Health Insurance Dividend	45,262.00
Safety Budget Reimbursement	1,517.99
Public Works OT Reimbursement Car Show	916.88
Snow Reimbursement from County	11,385.00
Delran Electric Balance	655.14
SNJ Regional Benefits Return Surplus	27,494.00
PSE&G Closed Out Old Account Conversion	1,824.44
Prior Year FSA	528.19
Clerk Fees Collected	17,781.48
Lien Redemption Repayment of Overdraft	590.25
Miscellaneous	<u>4,965.09</u>

\$ 200,048.35

Due from Trust Other Fund - Escrow Interest	12.67
Due from Dog Trust - Miscellaneous Refund	<u>179.20</u>

\$ 200,240.22

Collector:

Interest on Investments	<u>1,692.04</u>
	<u>\$ 201,932.26</u>

See notes to financial statements.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>				
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 96,121.00	\$ 98,377.07	\$ 98,377.07			
Other Expenses	28,000.00	25,743.93	1,881.86	\$ 120.00	\$ 23,742.07	
Mayor and Township Committee						
Salaries and Wages	11,300.00	11,300.00	10,008.53		1,291.47	
Other Expenses	4,000.00	4,000.00	3,622.68		377.32	
Municipal Clerk						
Salaries and Wages	55,567.00	55,567.00	55,566.44		0.56	
Other Expenses	50,000.00	50,000.00	47,367.98	2,541.10	90.92	
Vital Statistics						
Salaries and Wages	11,505.00	11,505.00	9,849.84		1,655.16	
Other Expenses	1,500.00	1,500.00	188.00		1,312.00	
Financial Administration						
Salaries and Wages	74,812.00	74,812.27	74,812.27			
Other Expenses	41,500.00	41,499.73	29,667.42	837.11	10,995.20	
Audit Services - Contractual	28,500.00	28,500.00	28,500.00			
Assessment of Taxes						
Salaries and Wages	21,000.00	21,000.00	20,683.54		316.46	
Other Expenses	4,000.00	9,000.00	8,876.12		123.88	
Collection of Taxes						
Salaries and Wages	65,000.00	64,123.30	35,879.28		28,244.02	
Other Expenses	10,000.00	11,876.70	11,675.21	201.49		
Legal Services and Costs	75,000.00	108,831.99	108,831.99			
Engineering Services and Costs	40,000.00	51,847.60	51,847.60			
Municipal Land Use Law (N.J.S.40:55D-1):						
Planning Board						
Salaries and Wages	36,142.00	36,142.00	36,141.95		0.05	
Other Expenses	20,000.00	20,000.00	15,772.10		4,227.90	
Police						
Salaries and Wages	1,873,277.00	1,868,024.27	1,739,331.75		128,692.52	
Other Expenses	115,500.00	120,752.73	103,572.26	17,180.47		
School Crossing Guards Salary & Wages	65,000.00	65,000.00	62,524.21		2,475.79	
Emergency Management						
Other Expenses	300.00	300.00			300.00	
Uniform Fire Safety Act						
Salaries and Wages	8,000.00	8,000.00	7,721.00		279.00	
Other Expenses	2,000.00	2,000.00			2,000.00	

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2018

	Appropriations		Paid or Charged	Encumbered	Reserved	Unexpended Balance Canceled
	Original Budget	Budget After Modification				
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
Municipal Court						
Salaries and Wages	114,901.00	114,901.00	109,863.70		5,037.30	
Other Expenses	19,250.00	19,250.00	16,078.73	1,760.83	1,410.44	
Municipal Prosecutor						
Other Expenses	16,000.00	16,000.00	14,666.63	1,333.33	0.04	
Public Defender						
Other Expenses	10,000.00	10,000.00	10,000.00			
Streets and Roads						
Salaries and Wages	200,000.00	203,547.29	203,547.29			
Other Expenses	80,000.00	76,452.71	55,163.01	9,622.85	11,666.85	
Storm Recovery (NJSA 40A: 4-62.1)	5,000.00	5,000.00	5,000.00			
Garbage and Trash Removal						
Other Expenses	250,000.00	250,000.00	133,679.28		116,320.72	
Public Buildings and Grounds						
Salaries and Wages	6,000.00	6,000.00	5,720.00		280.00	
Other Expenses	90,000.00	90,000.00	75,329.46	4,348.33	10,322.21	
Vehicle Maintenance						
Other Expenses	35,000.00	35,731.45	35,731.45			
Health and Welfare						
Animal Control						
Other Expenses	5,000.00	5,000.00	5,000.00			
Parks and Recreation						
Other Expenses	16,000.00	16,000.00	7,421.46	181.06	8,397.48	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	14,000.00	14,000.00	8,627.05		5,372.95	
Shade Tree						
Other Expenses	15,000.00	15,000.00	9,525.00		5,475.00	
Historic Commission						
Other Expenses	7,800.00	7,800.00	7,800.00			
Bulk and Utilities						
Electricity	40,000.00	40,000.00	25,271.47		14,728.53	
Street Lighting	120,000.00	120,000.00	96,793.78		23,206.22	
Telephone	40,000.00	40,000.00	26,743.38	332.44	12,924.18	
Water	5,000.00	5,000.00	2,787.24	192.96	2,019.80	
Natural Gas	5,000.00	5,000.00			5,000.00	
Gasoline/Diesel Fuel	80,000.00	80,000.00	54,185.75	13,764.04	12,050.21	
Landfill Solid Waste Disposal Costs	277,400.00	277,400.00	256,425.56		20,974.44	
Recycling Tax	11,000.00	11,000.00	9,729.07		1,270.93	

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>				
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
Insurance						
General Liability	73,680.00	73,680.00	73,680.00		-	
Workers Compensation	170,300.00	136,299.68	133,356.00		2,943.68	
Employee Group Insurance	612,774.00	611,896.02	532,944.61		78,951.41	
Health Benefit Waiver	20,978.10	21,856.08	21,856.08			
Dental	27,000.00	27,000.00	23,831.28		3,168.72	
Unemployment Compensation Insurance	12,000.00	12,000.00	9,708.32		2,291.68	
EMS Services						
Other Expenses (N.J.S.A 40A:4-48; \$30,000+)		30,000.00	6,504.16		23,495.84	
Uniform Construction Code - Appropriations						
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Officials						
Salaries and Wages	70,000.00	49,925.53	29,535.25		20,390.28	
Other Expenses	25,000.00	25,000.00	20,868.02	\$ 2,024.17	2,107.81	
Property Maintenance						
Salaries and Wages	45,800.00	45,800.00	39,999.96		5,800.04	
<u>Unclassified:</u>						
Accumulated Sick Leave	15,000.00	15,000.00	15,000.00			
Contingent	5,000.00	5,000.00	396.54		4,603.46	
	<u>5,277,907.10</u>	<u>5,306,243.35</u>	<u>4,645,468.63</u>	<u>54,440.18</u>	<u>606,334.54</u>	<u>-</u>
Total Operations --within "CAPS"						
Detail:						
Salaries and Wages	2,790,403.10	2,770,880.81	2,576,418.16	-	194,462.65	-
Other Expenses (Including Contingent)	2,487,504.00	2,535,362.54	2,069,050.47	54,440.18	411,871.89	-
	<u>2,790,403.10</u>	<u>2,770,880.81</u>	<u>2,576,418.16</u>	<u>54,440.18</u>	<u>194,462.65</u>	<u>-</u>
	<u>2,487,504.00</u>	<u>2,535,362.54</u>	<u>2,069,050.47</u>	<u>54,440.18</u>	<u>411,871.89</u>	<u>-</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to						
Public Employees Retirement System	72,245.00	72,245.32	72,245.32			
Social Security System (O.A.S.I.)	100,000.00	100,000.00	91,395.56		8,604.44	
Police and Firemen's Retirement System of N.J.	344,175.00	344,175.00	344,175.00			
Defined Contribution Retirement System	3,000.00	3,000.00	1,293.46		1,706.54	
	<u>72,245.00</u>	<u>72,245.32</u>	<u>72,245.32</u>		<u>1,706.54</u>	
	<u>100,000.00</u>	<u>100,000.00</u>	<u>91,395.56</u>		<u>8,604.44</u>	
	<u>344,175.00</u>	<u>344,175.00</u>	<u>344,175.00</u>			
	<u>3,000.00</u>	<u>3,000.00</u>	<u>1,293.46</u>		<u>1,706.54</u>	
Total Deferred Charges and Statutory Expenditures --within "CAPS"	<u>519,420.00</u>	<u>519,420.32</u>	<u>509,109.34</u>	<u>-</u>	<u>10,310.98</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within--"CAPS"	<u>5,797,327.10</u>	<u>5,825,663.67</u>	<u>5,154,577.97</u>	<u>54,440.18</u>	<u>616,645.52</u>	<u>-</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>				
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>						
Aid to Library (N.J.S.A. 40:54-35)						
Other Expenses	15,000.00	15,000.00	15,000.00			
SFSP to Fire District	2,915.00	2,915.00	2,915.00			
<u>State and Federal Programs Off-set by Revenues</u>						
Municipal Drug Alliance (C.A.S.A.)	14,235.00	14,235.00	14,235.00			
Municipal Drug Alliance (C.A.S.A.) - Local Match	3,558.75	3,558.75	3,558.75			
Highway Traffic Safety Grants:						
Drive Sober or Get Pulled Over (NJSA 40A:4-87 \$5,500.00)		5,500.00	5,500.00			
Distracted Driving (NJSA 40A:4-87 \$6,600.00)		6,600.00	6,600.00			
Impaired Driving Counter Measure	10,500.00	10,500.00	10,500.00			
NJ Department of Transportation Grant	446,000.00	446,000.00	446,000.00			
Burlington County Municipal Park Development Program	250,000.00	250,000.00	250,000.00			
Recycling Tonnage Grant	7,155.75	7,155.75	7,155.75			
Alcohol Education and Rehabilitation Grant (NJSA 40A:4-87 \$1,244.95)		1,244.95	1,244.95			
Clean Communities Grant (NJSA 40A:4-87 \$14,901.56)		14,901.56	14,901.56			
	<u>749,364.50</u>	<u>777,611.01</u>	<u>777,611.01</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	<u>17,500.00</u>	<u>17,500.00</u>	<u>17,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	124,000.00	124,000.00	124,000.00			
Payment of Bond Anticipation Notes and Capital Notes	100,000.00	101,300.00	101,300.00			
Interest on Bonds	56,760.00	56,760.00	56,725.98			\$ 34.02
Interest on Notes	77,000.00	77,000.00	76,742.98			257.02
Interest on Special Emergency Note	3,000.00	3,363.43	3,363.43			
Additional Payment of Bond Anticipation Notes	<u>51,500.00</u>	<u>51,500.00</u>	<u>51,500.00</u>			
	<u>412,260.00</u>	<u>413,923.43</u>	<u>413,632.39</u>	<u>-</u>	<u>-</u>	<u>291.04</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>				
<u>DEFERRED CHARGES--MUNICIPAL EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	49,600.00	49,600.00	49,600.00			
Deferred Charges to Future Taxation Unfunded (Ord No. 07/15/02; 2003-08; 2008-10; 2009-07; 2011-02)	<u>13,515.90</u>	<u>13,515.90</u>	<u>13,515.90</u>			
Total Municipal Deferred Charges--Excluded from "CAPS"	<u>63,115.90</u>	<u>63,115.90</u>	<u>63,115.90</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,242,240.40</u>	<u>1,272,150.34</u>	<u>1,271,859.30</u>	<u>-</u>	<u>-</u>	<u>291.04</u>
Subtotal General Appropriations	7,039,567.50	7,097,814.01	6,426,437.27	54,440.18	616,645.52	291.04
Reserve for Uncollected Taxes	<u>626,887.68</u>	<u>626,887.68</u>	<u>626,887.68</u>		<u>-</u>	
Total General Appropriations	<u>\$ 7,666,455.18</u>	<u>\$ 7,724,701.69</u>	<u>\$ 7,053,324.95</u>	<u>\$ 54,440.18</u>	<u>\$ 616,645.52</u>	<u>\$ 291.04</u>
Adopted Budget		\$ 7,666,455.18				
Emergency Authorizations (N.J.S.A. 40A:4-48)		30,000.00				
Appropriation by NJSA 40A:4-87		<u>28,246.51</u>				
		<u>\$ 7,724,701.69</u>				
Reserve for Uncollected Taxes			\$ 626,887.68			
Reserve for Federal and State Grants - Appropriated			759,696.01			
Deferred Charges - Special Emergency			49,600.00			
Refunds			(209,390.88)			
Disbursed			<u>5,826,532.14</u>			
			<u>\$ 7,053,324.95</u>			

See notes to financial statements.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

B

**TRUST FUNDS
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Animal Control Fund:		
Cash	\$ 30,093.41	\$ 15,639.86
Other Funds:		
Cash - Treasurer	179,018.29	163,689.69
Cash - Collector	106,410.35	138,850.83
Due from Developers	32,691.15	45,054.90
Police Outside Services Receivable	95,358.51	50,459.73
	<u>413,478.30</u>	<u>398,055.15</u>
	<u>\$ 443,571.71</u>	<u>\$ 413,695.01</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Animal Control Fund:		
Reserve for Dog Fund Expenditures	\$ 19,926.80	\$ 15,321.46
Reserve for Encumbrances		270.00
Due Current Fund	10,137.21	46.00
Due State of New Jersey	29.40	2.40
	<u>30,093.41</u>	<u>15,639.86</u>
Other Funds:		
Reserve for Developers' Escrow Deposits	47,887.89	63,880.07
Reserve for POAA	1,184.33	1,104.33
Reserve for Public Defender	1,955.50	1,117.00
Reserve for Special Law Enforcement Fund	13,164.04	15,330.93
Reserve for Celebration of Public Events	102.34	
Reserve for Premiums Received at Tax Sale	42,600.00	106,300.00
Reserve for Tax Title Lien Redemptions	63,822.19	31,972.42
Reserve for Explorer's Program Donations	3,494.66	3,828.66
Reserve for Accumulated Sick Leave	45,000.00	30,000.00
Reserve for K-9 Unit Donations	535.83	245.83
Reserve for Community Policing Donations	4,565.00	4,065.00
Reserve for Uniform Fire Safety	100.00	100.00
Reserve for Affordable Housing	16,193.00	16,193.00
Reserve for Recreation Trust Fund	70.00	70.00
Reserve for Storm Recovery	15,000.00	5,000.00
Reserve for Payroll Deductions Payable	11,833.72	9,447.15
Reserve for Encumbrances	36,829.65	43,298.40
Due Current Fund	109,140.15	66,102.36
	<u>413,478.30</u>	<u>398,055.15</u>
	<u>\$ 443,571.71</u>	<u>\$ 413,695.01</u>

See notes to financial statements.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash	\$ 792,897.80	\$ 1,213,181.09
Federal and State Grants Receivable	162,500.00	162,500.00
Deferred Charges to Future Taxation:		
Funded	1,326,000.00	1,450,000.00
Unfunded	4,863,609.10	5,029,925.00
	<u>\$ 7,145,006.90</u>	<u>\$ 7,855,606.09</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 1,326,000.00	\$ 1,450,000.00
Bond Anticipation Notes	3,267,500.00	3,420,300.00
Improvement Authorizations:		
Funded	228,006.09	262,401.09
Unfunded	1,778,039.52	2,318,244.90
Contracts Payable	181,682.69	78,677.84
Reserve for Encumbrances	81,267.98	102,044.27
Due Federal and State Grant Fund	8,256.45	8,256.45
Capital Improvement Fund	23,846.00	6,346.00
Reserve for Improvements	29,451.00	29,451.00
Grants Awarded Reserved for Future Improvements	100,600.00	100,600.00
Reserve for Insurance Reimbursement	25,947.00	
Reserve for Payment of Debt	69,168.00	54,042.37
Fund Balance	25,242.17	25,242.17
	<u>\$ 7,145,006.90</u>	<u>\$ 7,855,606.09</u>
 Bonds and Notes Authorized but not Issued	 <u>\$ 1,596,109.10</u>	 <u>\$ 1,609,625.00</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

E

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS**

December 31, 2018

	<u>2018</u>	<u>2017</u>
General Fixed Assets:		
Land	\$2,923,500.00	\$2,923,500.00
Buildings & Contents	1,558,053.25	1,451,308.00
Vehicles	<u>1,302,537.98</u>	<u>1,224,869.39</u>
Total	<u><u>\$5,784,091.23</u></u>	<u><u>\$5,599,677.39</u></u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of Riverside (the "Township") was incorporated in 1905 and is located in western Burlington County, approximately five miles from the City of Philadelphia. The Township is 1.54 square miles and is predominately residential. The population according to the 2010 census is 7,911.

The Township has a Township Committee form of government. The Mayor is the chief executive officer and is appointed by the Committee. The five-member Committee is the legislative body of the Township with the members serving for three years.

Component Units

The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board ("GASB") No. 14. If the provisions of GASB No. 14 had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Riverside Sewerage Authority
Riverside, New Jersey 08075

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

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, (the "Division"). The principles and practices established by the "Requirements of Audit" are designed primarily for determining compliance with legal provisions and budgetary restrictions as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

Current Fund – The Current Fund accounts for resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

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

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus and Basis of Presentation (Continued)

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

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

Basis of Accounting

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. Revenue from Federal and State grants are realized when anticipated as such in the Township’s budget. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Foreclosed Property – is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Assets Account Group.

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

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid. The Township has adopted a capitalization threshold of \$5,000.

Accounting for Governmental Fixed Assets, as promulgated by Technical Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value. No depreciation on general fixed assets is recorded in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

Budgets and Budgetary Accounting – the Township must adopt an annual budget for its current fund in accordance with N.J.S.A.40A:4 et seq. N.J.S.A.40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A.40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

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

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

Fund Balance – Fund balances included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Riverside School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017, and decreased by the amount deferred at December 31, 2018.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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

Fire District Taxes – The municipality is responsible for levying, collecting and remitting fire district taxes for the Township of Riverside Fire District. Operations are charged for the full amount required to be raised by taxation to support the Districts for the year.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

Compensated Absences, Pension and Post-Employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for the annual budget in the year in which they are paid, on a pay-as-you-go basis.

Pension and Other Post-Employment Benefits (“OPEB”) expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability, OPEB liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Township is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2018, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 6,608,579.63</u>
Total Deposits	<u>\$ 6,608,579.63</u>
Reconciliation of Statement of Cash	
Current	\$ 5,318,277.65
Federal and State Grants	181,882.13
Dog Trust	30,093.41
Other Trust	285,428.64
General Capital	<u>792,897.80</u>
Total Reconciliation of Statement of Comparative Balance Sheets	<u>\$ 6,608,579.63</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$6,639,683.06 at December 31, 2018. Of the bank balance \$500,000 was fully insured by the Federal Deposit Insurance Corporation (“FDIC”) and \$6,139,683.06 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (“GUDPA”). The GUDPA is more fully described in Note C of these financial statements.

Investment Interest Rate Risk – The Township 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, 2018, are provided in the above schedule.

Investment Credit Risk – The Township 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;

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township 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 Township;
- 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 with certain limitations.

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2018 with an approved public fund depository qualified under the provisions of the GUDPA. In addition to savings and checking accounts the District invests monies in certificates of deposits.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA, a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

The market value of the collateral must equal five percent of the average daily balance of public funds; and, if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA) (CONTINUED)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

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 Township should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

D. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

General Capital Fund

Pooled Loan Revenue Bonds – Series 2017A

In March of 2017, the Township entered into a lease and agreement with the Burlington County Bridge Commission (“Commission”) to refund 2007 bonds. This agreement provides the Township to permanently finance various general capital improvements through the issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A. The following is a schedule of annual payments to the Commission for principal and interest:

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT (CONTINUED)

General Capital Fund (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 127,000.00	\$ 53,040.00	\$ 180,040.00
2020	134,000.00	46,620.00	180,620.00
2021	136,000.00	42,600.00	178,600.00
2022	139,000.00	37,160.00	176,160.00
2023	148,000.00	31,600.00	179,600.00
2024-2027	<u>642,000.00</u>	<u>63,480.00</u>	<u>705,480.00</u>
Total	<u>\$ 1,326,000.00</u>	<u>\$ 274,500.00</u>	<u>\$ 1,600,500.00</u>

Long-term debt as of December 31, 2018, consists of following bonds:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2017 Bond Series	3/28/2017	\$ 1,488,000.00	8/15/19 to 8/15/27	4.00%	<u>\$ 1,326,000.00</u>
Total					<u>\$ 1,326,000.00</u>

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3½% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2018, was 1.39%. The Township's remaining borrowing power is 2.11%.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. DEBT (CONTINUED)

**Summary of Municipal Debt
(Excluding Current Debt)**

	2018	2017	2016
Issued -			
General - Bonds and Notes	\$4,593,500.00	4,870,300.00	4,433,650.00
Authorized But Not Issued:			
General - Bonds and Notes	1,596,109.10	1,609,625.00	2,153,125.00
Net Debt Issued	<u>6,189,609.10</u>	<u>6,479,925.00</u>	<u>6,586,775.00</u>
Reserve for Repayment of Debt	69,168.00	54,042.37	50,224.82
Net Debt	<u><u>\$6,120,441.10</u></u>	<u><u>6,425,882.63</u></u>	<u><u>6,536,550.18</u></u>

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.40%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District	\$3,370,000.00	3,370,000.00	
General Debt	<u>6,189,609.10</u>	<u>69,168.00</u>	<u>6,120,441.10</u>
Total	<u><u>\$9,559,609.10</u></u>	<u><u>3,439,168.00</u></u>	<u><u>\$6,120,441.10</u></u>

Net debt, \$6,120,441.10 divided by Equalized Valuation Basis Per N.J.S.A.40A:2-2 as amended, \$440,647,991.00 equals 1.39%.

Equalized Valuation Basis:

2018	\$438,693,154.00
2017	453,867,639.00
2016	<u>429,383,180.00</u>
Average	<u><u>\$440,647,991.00</u></u>

Borrowing Power Under 40A:2-6

3.5% of Equalized Valuation Basis (Municipal)	\$15,422,679.69
Net Debt	<u>6,120,441.10</u>
Remaining Borrowing Power	<u><u>\$9,302,238.59</u></u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. DEBT SERVICE AGREEMENT

Bond Anticipation Notes

On May 21, 2012, the Township issued \$300,000 of Bond Anticipation Notes on behalf of the Riverside Sewerage Authority for rehabilitating various sewer lines throughout the Township. Also, on June 15, 2015, the Township issued another \$285,000 of Bond Anticipation Notes on behalf of the Riverside Sewerage Authority for the purchase of a Jet Vac. A fully executed agreement between the Township and Sewerage Authority has been established for the Authority to repay the debt to the Township. As of December 31, 2018, the Riverside Sewerage Authority has repaid the Township \$295,173.14.

The Township has \$3,267,500 bond anticipation notes payable at December 31, 2018.

F. SERVICE CONTRACT

A service contract between the Township of Riverside and the Riverside Sewerage Authority ("Authority") dated May 3, 1993, contains various provisions that are summarized below. Pursuant to the service contract, the Township is obligated to pay the Authority sums equal to any deficits in Authority revenues necessary to pay or provide for:

1. Operation and maintenance expenses of the sewer system.
2. Principal and interest on bonds or notes of the Authority.
3. Transfer of money to/or from the Authority to temporarily support cash flow.

The Authority is required to repay to the Township all monies paid by the Township to the Authority. Such repayment by the Authority is required to be made at an interest rate equal to the prime rate plus one percent.

G. LEASE OBLIGATIONS

At December 31, 2018, the Township had lease agreements in effect for the following:

Operating:
Copier and Postage Stamp Machine

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

<u>Year</u>	<u>Amount</u>
2019	\$ 2,583.00
	<u>\$ 2,583.00</u>

Rental payments under operating leases for the year 2018 were \$7,848.00.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. LEASE OBLIGATIONS (CONTINUED)

Capital Lease Obligations

At December 31, 2018, the Township had a capital lease agreement in effect for four police vehicles.

Capital Leases – Future minimum payments under a capital lease agreement for four police vehicles are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 30,548.46
2020	30,548.46
2021	<u>30,548.46</u>
Total Minimum Lease Payments	91,645.38
Less: Amount Representing Interest	<u>9,150.87</u>
Present Value of Net Minimum Lease Payments	<u>\$ 82,494.51</u>

Lease payments under Capital leases for the year 2018 was \$30,548.46.

H. SCHOOL TAXES

Local District School Tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Balance December 31,	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 4,470,778.54	\$ 4,362,273.04
Deferred	<u>2,634,398.00</u>	<u>2,634,398.00</u>
School Tax Payable	<u>\$ 1,836,380.54</u>	<u>\$ 1,727,875.04</u>

I. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various balance sheets as of December 31, 2018:

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 414,534.18	
Federal and State Grant Fund	8,256.45	\$ 295,256.82
Trust - Animal Control Fund		10,137.21
Trust Other Funds		109,140.15
General Capital Fund		8,256.45
Total Funds	<u>\$ 422,790.63</u>	<u>\$ 422,790.63</u>

J. COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, provided that they do not exceed an employee's annual entitlement.

The Township compensates employees for all unused sick days upon termination or retirement. The current policy provides that accumulated sick leave for police, nonunion fulltime and public works employees is to be paid based on 50% of their accumulated sick hours multiplied by their rate of pay upon termination or retirement, not to exceed the maximum threshold of \$15,000.00.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2018, the balance of the fund was \$45,000.00. It is estimated that at December 31, 2018, accrued benefits for compensated absences are valued at \$242,244.03.

K. JOINT INSURANCE POOL

The Township is a member of the Burlington County Municipal Joint Insurance Fund ("Fund"). The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability Other Than Motor Vehicles
- Property Damage Other Than Motor Vehicles
- Motor Vehicles
- Fire Insurance

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

Contributions to the Fund are payable in an annual premium and are based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. JOINT INSURANCE POOL (CONTINUED)

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

L. DEFERRED COMPENSATION SALARY ACCOUNT

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

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

M. PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007, and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$72,245 for 2018.

The employee contribution rate was 7.34% effective July 1, 2017, and increased to 7.50% effective July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2018, the Township's proportionate share of the PERS net pension liability is valued to be \$1,506,311. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was .00765%, which was a decrease of .00011% from its proportion measured as of June 30, 2017.

Balances at December 31, 2018 and December 2017

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	July 1, 2018	July 1, 2017
Actuarial valuation date		
Net Pension Liability	\$ 1,506,311.00	\$ 1,806,778.00
Township's Portion of the Plan's total Net Pension Liability	0.00765%	0.00776%

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

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

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for Male and Female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mtigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	100.00%	

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

A. Public Employees' Retirement System (PERS) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	At 1% decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
Local	<u>\$ 1,894,013</u>	<u>\$ 1,506,311</u>	<u>\$ 1,181,054</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen's Retirement System (PFRS) (Continued)

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$344,175 for 2018.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen’s Retirement System (PFRS) (Continued)

2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability - At December 31, 2018, the Township’s proportionate share of the PFRS net pension liability is valued to be \$5,194,664. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2018. The Township’s proportion measured as of June 30, 2018, was .03839%, which was a decrease of .00050 from its proportion measured as of June 30, 2017.

Collective Balances at December 31, 2018 and 2017

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Actuarial valuation date	July 1, 2018	July 1, 2017
Net Pension Liability	\$ 5,194,664.00	\$ 6,003,713.00
Township’s portion of the Plan’s total Net Pension Liability	0.00050%	0.03889%

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$705,609 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2018. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2018, was .03839%, which was a decrease of .00050% from its proportion measured as of June 30, 2017, which is the same proportion as the Township’s.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen’s Retirement System (PFRS) (Continued)

Township's Proportionate Share of the Net Pension Liability	\$ 5,194,664.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>705,609.00</u>
Total Net Pension Liability	<u><u>\$ 5,900,273.00</u></u>

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

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

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

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen’s Retirement System (PFRS) (Continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018), is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. PENSION OBLIGATIONS (CONTINUED)

B. Police and Firemen’s Retirement System (PFRS) (Continued)

employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the collective net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% decrease (5.51%)	At current discount rate (6.51%)	At 1% increase (7.51%)
Local	\$ 6,952,413	\$ 5,194,664	\$ 3,744,841

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. As of December 31, 2018, the Township has paid \$1,293. The Township currently has one employee enrolled in DCRP.

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

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. POST-RETIREMENT HEALTH BENEFIT PLAN

Chapter 384 of Public Law 1987 and Chapter 6 of Public Law 1990 required PERS to fund post-retirement medical benefits for those State employees who retire after reaching 60 and accumulating 25 years of credited service. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS system. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer-paid health benefits to members of PERS and the Alternate Benefit Program. The State paid \$238.9 million toward Chapter 126 benefits for 30,913 eligible retired members in Fiscal Year 2017.

State Health Benefits Plan Description

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

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, The Township authorized participation in the SHBP’s post-retirement benefit program through resolution number 2012-98 on October 1, 2012. The Township adopted the provision of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey Health Benefits Program. In 2012, Township employees began making health benefit contributions of 1.5% of their base salaries towards the health benefit costs.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. POST-RETIREMENT HEALTH BENEFIT PLAN (CONTINUED)

Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.nj.gov/treasury/omb/publications/archives.shtml.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. As a participating employer the Township will pay and remit to the State treasury contributions to cover the full cost of premiums for eligible pensioners on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with provisions of Chapter 75, Public Law of 1972.

The Township's contributions to SHBP for the years ended December 31, 2018 and 2017, were \$196,331 and \$223,845, respectively, which equaled the required contributions for each year. There were five retired participants eligible at December 31, 2018, and seven retired participants for 2017.

General Information About the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the "Plan") is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. POST-RETIREMENT HEALTH BENEFIT PLAN (CONTINUED)

employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiation's agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

Net OPEB Liability

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2018 and 2017, is as follows:

	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB liability	\$ 2,314,703	\$ 3,342,524	\$ 3,915,657
Plan Fiduciary Net Position	45,550	34,554	26,928
Net OPEB Liability	<u>\$ 2,269,153</u>	<u>\$ 3,307,970</u>	<u>\$ 3,888,729</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	1.97%	1.03%	0.69%

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. POST-RETIREMENT HEALTH BENEFIT PLAN (CONTINUED)

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

Inflation	2.50%
Salary increases*	
Through 2026	1.65 - 8.98%
Thereafter	2.65 - 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

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

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

One-hundred percentage of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017, was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. POST-RETIREMENT HEALTH BENEFIT PLAN (CONTINUED)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2018		
At 1% Decrease (2.58%)	At Current Discount Rate (3.58%)	At 1% Increase (4.58%)
\$ 2,662,316	\$ 2,269,153	\$ 1,955,104

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2018		
At 1% Decrease	Healthcare cost trend rate	At 1% Increase
\$ 1,892,837	\$ 2,269,153	\$ 2,756,161

Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for June 30, 2018 and 2017, respectively:

Years Ending June 30,		
2019	\$	(203,214)
2020		(203,214)
2021		(203,214)
2022		(203,214)
2023		(203,215)
Thereafter		(638,842)
	\$	<u>(1,654,913)</u>

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

O. ASSESSMENTS AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Regional School District, and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (the "Collector") on or before May 13.

Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1 and November 1 of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one-half of the prior year's tax. The preliminary payments are due and payable on February 1 and May 1. The New Jersey Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1 of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

P. CAPITAL ASSETS

The following schedule is a summarization of the changes in General Capital Assets by Source for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Land	\$ 2,923,500.00			\$ 2,923,500.00
Building and Improvements	1,451,308.00	\$ 106,745.25		1,558,053.25
Vehicles and Equipment	1,224,869.39	\$ 77,668.59		1,302,537.98
Total	<u>\$ 5,599,677.39</u>	<u>\$ 184,413.84</u>	<u>\$ -</u>	<u>\$ 5,784,091.23</u>

Q. FUND BALANCE

The fund balance remaining in the Current Fund at December 31, 2018, is \$2,523,810.44. Of that amount, \$455,500.00 is appropriated in the 2019 budget as introduced. The fund balance in the General Capital Fund at December 31, 2018, is \$25,242.17.

**TOWNSHIP OF RIVERSIDE
COUNTY OF BURLINGTON, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

R. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	Balance <u>December 31, 2018</u>	Added in <u>2018</u>	2019 Budget <u>Appropriation</u>	Succeeding <u>Years</u>
Current Fund				
Emergency Appropriation	\$ 148,800.00		\$ 49,600.00	\$ 99,200.00
Emergency Authorization		\$ 30,000.00	30,000.00	
Total	<u>\$ 148,800.00</u>	<u>\$ -</u>	<u>\$ 49,600.00</u>	<u>\$ 99,200.00</u>

The appropriations in the 2018 budget are not less than that required by statute.

S. CASH MANAGEMENT PLAN

The Township's cash management plan includes the approval of Township money to be transferred to or from the Riverside Sewerage Authority in order to temporarily support cash flow. On January 31, 2013, the Township loaned the Riverside Sewerage Authority a total of \$150,000. As of December 31, 2018, the balance of \$60,546.31 is due from the Riverside Sewerage Authority to the Township.

T. SUBSEQUENT EVENTS

Riverside Township management has evaluated subsequent events occurring after December 31, 2018, through August 26, 2019, which is the date the financial statements were available to be issued. No items were noted that required disclosure.

APPENDIX C

FORM OF BOND COUNSEL OPINION



December __, 2019

Mayor and Township Committee
of the Township of Riverside
237 South Pavilion Avenue
Riverside, New Jersey

**RE: \$3,825,000 TOWNSHIP OF RIVERSIDE, COUNTY OF BURLINGTON,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2019**

Ladies and Gentlemen:

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

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Committee and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on November 18, 2019 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on December __, 2019 ("Award Certificate").

The Bonds are dated their date of delivery, mature on December 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semi-annually on June 15 and December 15, commencing June 15, 2020, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$235,000	%	2027	\$260,000	%
2021	270,000		2028	270,000	
2022	280,000		2029	275,000	
2023	260,000		2030	285,000	
2024	270,000		2031	290,000	
2025	275,000		2032	300,000	
2026	250,000		2033	305,000	

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

COUNSEL WHEN IT MATTERS.SM



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

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

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

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

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

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

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

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

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

In rendering this opinion, we have assumed continuing compliance by the Township that it will comply with the applicable requirements of the Code, including requirements relating to, inter



alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Bonds.

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

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

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



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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ___ day of December, 2019 between the Township of Riverside, County of Burlington, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2019, in the principal amount of \$3,825,000 ("Bonds").

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

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

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

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

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

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Official Statement" shall mean the Official Statement of the Township, dated December ___, 2019, relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2019). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

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

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

(i) If to the Township:

Township of Riverside
237 South Pavilion Avenue
Riverside, New Jersey 08075
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505

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

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

TOWNSHIP OF RIVERSIDE, NEW JERSEY

By: _____
MICHAEL MANSDOERFER,
Chief Financial Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By: _____
SHERRY L. TRACEY, Senior Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Riverside, County of Burlington, New Jersey

Name of Bond Issues Affected: \$3,825,000 General Obligation Bonds, Series 2019

Date of Issuance of the Affected
Bond Issue: December __, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated December __, 2019, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

PHOENIX ADVISORS, LLC,
as Dissemination Agent

cc: Township of Riverside, New Jersey