

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2021**

**NEW ISSUE**

**RATING: Moody's: "A2"**  
**(See "RATING" herein)**

*In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the City (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**CITY OF BRIDGETON,  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**\$13,201,000\***  
**GENERAL OBLIGATION BONDS**  
**Consisting of**  
**\$12,551,000\* General Improvement Bonds**  
**and**  
**\$650,000\* Water/Sewer Utility Bonds**  
**(Book-Entry-Only) (Callable)**

Dated: Date of Delivery

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

The \$13,201,000\* General Obligation Bonds, consisting of \$12,551,000\* General Improvement Bonds (the "General Improvement Bonds") and \$650,000\* Water/Sewer Utility Bonds (the "Water/Sewer Utility Bonds") and, together with the General Improvement Bonds, the "Bonds"), of the City of Bridgeton, in the County of Cumberland, New Jersey (the "City") will be issued in the form of one certificate for the aggregate principal amount of the Bonds of each series maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as the securities depository. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity or earlier redemption, commencing on March 1, 2022. The principal of and the interest due on the Bonds will be paid to DTC by the City as paying agent. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The Bonds are subject to optional redemption prior to their stated maturities as described herein. See "THE BONDS – Optional Redemption" herein.

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

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

The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey and certain other conditions described herein. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the City in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in New York, New York on or about May 5, 2021.

**BID PROPOSALS WILL BE ACCEPTED ONLY BY ELECTRONIC SUBMISSION VIA PARITY ELECTRONIC BID SYSTEM ON WEDNESDAY, APRIL 21, 2021 UNTIL 10:45 A.M. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE NOTICE OF SALE POSTED AT [WWW.MUNIHUB.COM](http://WWW.MUNIHUB.COM) or <https://govdebt.net>.**

\* Preliminary, subject to change.

**CITY OF BRIDGETON,  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**\$13,201,000\***  
**GENERAL OBLIGATION BONDS**  
Consisting of  
**\$12,551,000\* General Improvement Bonds**  
and  
**\$650,000\* Water/Sewer Utility Bonds**

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

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Water/Sewer Utility Bonds</u>	<u>Combined</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number**</u>
2022	\$661,000	\$55,000	\$716,000			
2023	765,000	60,000	825,000			
2024	775,000	65,000	840,000			
2025	785,000	65,000	850,000			
2026	800,000	65,000	865,000			
2027	810,000	65,000	875,000			
2028	825,000	65,000	890,000			
2029	835,000	70,000	905,000			
2030	850,000	70,000	920,000			
2031	865,000	70,000	935,000			
2032	880,000	----	880,000			
2033	895,000	----	895,000			
2034	915,000	----	915,000			
2035	935,000	----	935,000			
2036	955,000	----	955,000			

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\* Preliminary, subject to change.

\*\* 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 City does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**CITY OF BRIDGETON, IN THE  
COUNTY OF CUMBERLAND, NEW JERSEY**

**MAYOR**

Albert B. Kelly

**COUNCIL MEMBERS**

Edward Bethea  
Rosemary DeQuinzio  
James Edwards  
David Gonzalez  
Marian King

**COMPTROLLER**

Mary Jane Lake

**ACTING CLERK**

Nicole Almanza

**CITY ATTORNEY**

Michele Gibson, Esq.  
Bridgeton, New Jersey

**AUDITOR**

Bowman & Company, LLP  
Voorhees, New Jersey

**FINANCIAL ADVISOR**

Acacia Financial Group, Inc.  
Mount Laurel, New Jersey

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC  
Roseland, New Jersey

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

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

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

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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**OFFICIAL STATEMENT**  
**Relating to the**  
**CITY OF BRIDGETON,**  
**IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**\$13,201,000\***  
**GENERAL OBLIGATION BONDS**  
**Consisting of**  
**\$12,551,000\* General Improvement Bonds**  
**and**  
**\$650,000\* Water/Sewer Utility Bonds**

**INTRODUCTION**

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the City of Bridgeton (the “City”), in the County of Cumberland (the “County”), New Jersey (the “State”), in connection with the sale and the issuance of \$13,201,000\* General Obligation Bonds, consisting of \$12,551,000\* General Improvement Bonds (the “General Improvement Bonds”) and \$650,000\* Water/Sewer Utility Bonds (the “Water/Sewer Utility Bonds” and, together with the General Improvement Bonds, the “Bonds”). This Official Statement has been executed by and on behalf of the City by its Comptroller and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources.

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

**THE BONDS**

**General Description**

The Bonds shall be dated their date of delivery, shall mature on March 1 in the years and in the principal amounts as set forth on the inside front cover page hereof, and will bear interest from their dated date. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year until maturity, commencing on March 1, 2022, at the interest rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the City or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding February 15 and August 15 (the “Record Dates” for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day calendar months.

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\* Preliminary, subject to change.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds of each series and in the principal amount of such maturity. The Bonds may be purchased in book-entry-only form in the principal amount of \$5,000, or any integral multiple in excess thereof, through book-entries made on the books and records of The Depository Trust Company, New York, New York (“DTC”), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the City directly to Cede & Co. (or any successor or assign), as nominee for DTC.

### **Optional Redemption**

The Bonds maturing prior to March 1, 2032 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after March 1, 2032 are subject to redemption, in whole or in part, on any date on or after March 1, 2031, at the option of the City, at 100% of the principal amount of the Bonds being redeemed (the “Redemption Price”), plus in each case accrued interest thereon to the date fixed for redemption.

### **Notice of Redemption**

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City, at least 30 but not more than 60 days before the date fixed for redemption. However, so long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption shall be sent to such securities depository and shall not be sent to the beneficial owners of the Bonds, and will be done in accordance with DTC procedures. Any failure of such securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the City determines to redeem a portion of a maturity of the Bonds, such Bonds shall be selected by the City by lot. If notice of redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the City shall send redemption notices only to Cede & Co.

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

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in

deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 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.

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 City or its 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, if applicable, and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from



the City or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records.

Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

THE INFORMATION CONTAINED IN THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE CITY MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BOND HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE BONDS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE OF DTC AND THE REGISTERED OWNER OF THE BONDS. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

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

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

would permit it to make such determination), the City shall notify DTC of the termination of the book-entry-only system.

### AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State Statutes, as amended) (the “Local Bond Law”), the bond ordinances adopted by the City Council referred to in the charts below and by a resolution duly approved and adopted by the City Council on February 10, 2021 (the “Resolution”).

#### General Improvement Bonds

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Principal Amount of Bonds
07-24, as amended by 11-21	Acquisition of ladder truck (amended purpose), finally adopted January 15, 2008, as amended March 20, 2012.	\$47,458
09-12	Improvements to various public buildings, finally adopted April 6, 2010.	\$939,176
11-05	Acquisition of ladder tower truck, finally adopted March 6, 2012.	\$300,000
11-10	Upgrades to radio equipment, finally adopted October 4, 2011.	\$111,039
11-16, as amended and supplemented by 13-22	Infrastructure improvements and repairs, finally adopted April 3, 2012, as amended and supplemented on May 6, 2014.	\$761,216
11-17	Construction of recreational facilities, finally adopted April 3, 2012.	\$715,596
11-24	Various capital improvements, finally adopted April 17, 2012.	\$218,987
12-9	Acquisition of various public works equipment, finally adopted December 4, 2012.	\$60,168
12-10	Repaving and restoration of various roads, finally adopted December 4, 2012.	\$257,798
12-17	Acquisition of various equipment, finally adopted January 8, 2013.	\$278,596
13-9	Acquisition of fire emergency vehicles, finally adopted December 3, 2013.	\$607,176
13-18	Various capital improvements, finally adopted March 4, 2014.	\$726,041
15-4	Various capital improvements, finally adopted March 17, 2015.	\$938,962

<b>Number of Bond Ordinance</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Principal Amount of Bonds</b>
15-20, as amended by 19-10	Acquisition of property from the Bridgeton Port Authority, finally adopted July 7, 2015, as amended July 16, 2019.	\$148,983
17-30	Acquisition of ambulance, finally adopted December 19, 2017.	\$133,000
18-01	Closure of City Landfill, finally adopted February 20, 2018.	\$358,000
18-10, as supplemented by 19-17	Renovations to the City Hall Annex Building, finally adopted May 15, 2018, as supplemented October 1, 2019.	\$1,717,460
18-18	Various capital improvements, finally adopted July 17, 2018.	\$884,504
19-12	Funding of settlement of certain obligations of the Bridgeton Municipal Port Authority and potential obligations of the City of Bridgeton related thereto as well as other outstanding obligations of the Port Authority and to extinguish certain property rights involved in the proceedings being settled. Resolution adopted May 23, 2019. Bond Ordinance adopted August 20, 2019.	\$1,250,000
19-19	Various capital improvements, finally adopted November 18, 2019.	\$421,800
20-15	Various capital improvements, finally adopted August 18, 2020.	\$727,700
20-24	Acquisition of an aerial ladder fire truck, finally adopted December 29, 2020.	\$947,340

Proceeds from the sale and issuance of the General Improvement Bonds will be used to: (i) provide new money in the amount of \$1,999,340 to fund various capital improvements; (ii) currently refund the City's \$9,301,660 Bond Anticipation Note, dated August 20, 2020 and maturing on May 25, 2021, (iii) currently refund the City's \$1,250,000 Bond Anticipation Note, dated June 10, 2020 and maturing on May 25, 2021 and (iv) pay the costs associated with the authorization, sale and issuance of the General Improvement Bonds.

#### **Water/Sewer Utility Bonds**

<b>Number of Bond Ordinance</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Principal Amount of Bonds</b>
09-13	Construction of water and sewer utility complex, finally adopted May 4, 2010.	\$225,000

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Principal Amount of Bonds
15-3	Acquisition of a jet vac for the sewer utility, finally adopted February 17, 2015.	\$279,000
19-20	Acquisition of a backhoe for the water/sewer utility, finally adopted November 18, 2019.	\$105,000
19-24	Well remediation and building regulated materials for water utility, finally adopted December 3, 2019.	\$41,000

Proceeds of the Water/Sewer Utility Bonds will be used to: (i) provide new money in the amount of \$1,833 to fund various Water/Sewer utility improvements; (ii) currently refund \$648,167 of the City's \$707,167 Bond Anticipation Note, dated August 20, 2020 and maturing on May 25, 2021, together with a \$59,000 principal reduction payment and (iii) pay the costs associated with the authorization, sale and issuance of the Water/Sewer Utility Bonds.

### **INFECTIOUS DISEASE OUTBREAK – COVID-19**

COVID-19, a respiratory disease caused by a new strain of coronavirus, had been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The City expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

The City cannot reasonably predict how long the Pandemic in New Jersey is expected to last, how the outbreak may impact the financial condition or operations of the City, whether there will be any impact on the assessed values of property within the City or unexpected deferrals of tax payments to the City or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the City.

### **SECURITY AND SOURCE OF PAYMENT**

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

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

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the City are general full faith and credit obligations.

The authorized bonded indebtedness of the City for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of City, as annually determined by the State Director of Taxation, is \$525,057,962.

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

The City has not exceeded its statutory debt limit, as approved in each case by the Local Finance Board. As of December 31, 2020, the statutory net debt as a percentage of average equalized valuation was 2.528%. As noted above, the statutory limit is 3½%.

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

The City may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years.

An additional period may be available following the tenth anniversary date equal to the period from the bond anticipation notes’ maturity to the end of the tenth fiscal year in which the bond anticipation notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year’s principal payment for a bond issue.

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

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

The local unit is authorized to issue "emergency notes" and "special emergency notes" pursuant to the Local Budget Law.

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

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

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

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

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

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

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

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the fiscal year. Appropriation reserves may also be transferred during the first three (3) months of the fiscal year, to the previous year’s budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a “CAP” budget, no transfers may be made from excluded from “CAP” appropriations to within “CAPS” appropriations nor can transfers be made between excluded from “CAP” appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey “Cap Law” (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the “Index Rate” if the index rate is greater than 2.5%. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; 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. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year’s appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years’ tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing three years as a general improvement program. The capital budget, when adopted, does not constitute the approval or

appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

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

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

By State statute, tax 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% per annum on any amount in excess of \$1,500.00, or such lower interest penalty rates as determined by the City from time to time. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes. The City has not taken action to reduce the interest penalty rate.

### **Tax Appeals**

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

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

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



An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2019 for the City is on file with the Clerk and is available for review during business hours.

## **TAX MATTERS**

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

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the City to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The City will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The City has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the City with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the City observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Original Issue Discount**

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the “Discount Bonds”). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

### **Original Issue Premium**

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

### **Bank Qualification**

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

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to

tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which are eligible to be designated and which are designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

### **Additional Federal Income Tax Consequences of Holding the Bonds**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

### **Changes in Federal Tax Law Regarding the Bonds**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **FINANCIAL STATEMENTS**

Appendix “B” to this Official Statement contains (a) compiled financial statements of the City for the year ended December 31, 2020 and (b) audited financial statements of the City for the years ending December 31, 2019, 2018, 2017 and 2016. The compiled audited financial data was extracted from the report prepared by Bowman & Company, LLP, Voorhees, New Jersey (the “Auditor”) to the extent and for the period set forth in their report appearing in Appendix “B” to this Official Statement. The Auditor 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 for the audited financial data appearing in Appendix “B” hereto) and, accordingly, will express no opinion with respect thereto. See “APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE CITY OF BRIDGETON, IN THE COUNTY OF CUMBERLAND, NEW JERSEY”.

## **LITIGATION**

To the knowledge of the City Attorney, Michele Gibson, Esq., of Bridgeton, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Bonds, or the levy or collection of any taxes to pay the principal of or 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 collection of taxes, or contesting the corporate existence or boundaries of the City or the title of any of the present officers.

There are a number of litigation matters unrelated to this bond issue that are routinely being handled by the City and either covered by insurance or are expected to be handled within the City budget to the extent that there is an adverse decision in any of them. Nevertheless, there is presently pending litigation consisting of a class action lawsuit captioned PCIII REO LLC, et al. v. City of Bridgeton, et al., CUM-L-584-19 was filed against the City on or about September 13, 2019 challenging the City's Vacant and Abandoned Properties ("VAP") Ordinance. The City's insurance carrier denied coverage and refused to defend the City in this matter. Under the VAP Ordinance, the City collected approximately \$755,000 in registration fees and fines. The matter has not yet received class certification, but seeks damages based on claims of civil rights violations and unjust enrichment. At this point, there is no indication of the amount of damages. In the event of an adverse result, to the extent that the amount of damages exceeds the normal ability to incorporate that amount into its normal annual budget, the City would adopt an emergency appropriation pursuant to the provisions of the New Jersey Local Budget Law and would expect to be able to finance that amount through the issuance of refunding bonds pursuant to the Local Bond Law subject to an application to the Local Finance Board which it expects to be approved.

## **SECONDARY MARKET DISCLOSURE**

Solely for the purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the City shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2021 for the fiscal year ending December 31, 2020, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("*EMMA*") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure

information, if any, annual financial information with respect to the City consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the City and certain financial information and operating data consisting of (i) the City and overlapping indebtedness, including a schedule of outstanding debt issued by the City, (ii) the City's property valuation information, and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following material events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the City, if any such event reflects financial difficulties; and

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a

court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The term “Financial Obligation” as used in subparagraphs (b)(15) and (b)(16) above 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); *provided, however*, that 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 the Rule.

(c) Notice of failure of the Board to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA. If all or any part of the Rule ceases to be in effect or is not in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule not or no longer in effect required the provision of such information, shall not or no longer be required to be provided.

The Comptroller shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the City prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in this resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

The City currently does not have previous undertakings with regard to continuing disclosure for prior obligations issued, including the filing of any required late notices and/or material event notices under the Rule referenced above. Although the City has no prior obligations or agreements outstanding, the City expects to appoint Acacia Financial Group, Inc. to act as continuing disclosure agent to assist in the filing of certain information on Emma as required with regard to its future obligations.

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the City may affect the future liquidity of the Bonds.

## **MUNICIPAL BANKRUPTCY**

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

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

### **APPROVAL OF LEGAL PROCEEDINGS**

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

### **UNDERWRITING**

The Bonds have been purchased from the City, pursuant to the terms of the City's notice of sale, by \_\_\_\_\_ (the "Underwriter") at a purchase price of \$\_\_\_\_\_ (the "Purchase Price"). The Purchase Price reflects the par amount of the Bonds in the amount of \$\_\_\_\_\_, plus a bid premium in the amount of \$\_\_\_\_\_. The Underwriter is obligated to purchase all of the Bonds if any are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

### **RATING**

Moody's Investors Service, Inc. ("*Moody's*") has assigned a rating of "A2" to the Bonds based upon the creditworthiness of the City. An explanation of the significance of such credit rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such credit rating will continue for any period of time or that such credit rating will not be revised or withdrawn. Any such revision or withdrawal of such credit rating may have an adverse effect on the market price or marketability of the Bonds. Neither the City nor the Underwriters have undertaken or will undertake any responsibility to bring to the attention of the owners of the Bonds any proposed change or withdrawal of such credit rating or to oppose any such proposed revision.

### **MUNICIPAL ADVISOR**

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

**PREPARATION OF OFFICIAL STATEMENT**

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

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

Neither Bond Counsel nor the Municipal Advisor has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

**ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Mary Jane Lake, Comptroller, City of Bridgeton, 181 East Commerce Street, Bridgeton, New Jersey 08302, (856) 455-3230, or by e-mail at [lakem@citybridgeton.com](mailto:lakem@citybridgeton.com).

**MISCELLANEOUS**

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

**CITY OF BRIDGETON**

By: \_\_\_\_\_  
**Mary Jane Lake**  
**Comptroller**

Dated: \_\_\_\_\_, 2021



**APPENDIX A**

**ECONOMIC AND DEMOGRAPHIC  
INFORMATION RELATING TO THE CITY OF BRIDGETON,  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

## GENERAL INFORMATION ON THE CITY

### History

The City of Bridgeton ("City"), as the County Seat for Cumberland County, is a 3-hour drive from the Washington DC/Baltimore metro area, 2 ½ hours from New York City, 1 hour from Atlantic City, and 45 minutes from Philadelphia. Situated in the western half of the county, the main traffic arteries include the east-west Route 49 and the north-south Route 77, both of which are two-lanes for their entire lengths. The City's size at 6.2 square miles sits approximately 25 miles from the Delaware Memorial Bridge, while Atlantic City is approximately 50 miles due east.

The history of the City goes back to the 1680's and like most communities, its early history was centered on access to water and for the community of that era, the primary water source was the Cohansey River. The saw mills became a prominent industry in addition to the existing agriculture in the area. Bridge construction over the Cohansey River in the early 1700's, which facilitated the movement of goods through South Jersey and beyond, established the City's name and place in the regional economy and this provided stability and growth for some time to come.

Throughout the 19th century and the first half of the 20th century, the City thrived with a diverse industrial-based economy. Early on, with abundant natural resources in the area such as silica sand, glass making thrived so that by the time of Civil War, there were approximately 15 glass houses operating in the City. The glass industry was a perfect complement to the agricultural industry around the City as improvements in canning technology made produce farming profitable through the 19th century. By the late 19th century, the City boasted thirteen canneries.

Produce streamed into the City from the surrounding farms for canning and transport. Canning remained a fixture in the City well into the 20th century, with fleets of tomato trucks arriving at the City's canning facilities from mid-summer on. It was the introduction of a frozen vegetable processing technique which spelled the end of the local canneries. One major early pioneer in frozen foods, CF Seabrook, set up operations five miles outside of the City as frozen food production required immediate field-to-freezer access and this facility was located next to Seabrook's farm in Upper Deerfield Township.

The City industry was further diversified in the late 19th and early 20th century by the presence of several foundries. The work of these iron foundries is evident from the cast-iron architectural elements on many of the City's more prominent buildings. The foundries made products for local and regional markets such as canning goods, iron agricultural equipment, and steam power apparatus. The post-war years of the mid-twentieth century brought other changes to the City, as it did many small cities across the country. While agriculture had been the primary industry in the community's early history, manufacturing, the glass industry grew in importance.

The Owens-Illinois glass plant opened in the City in 1930 and by the mid-1950's, it became the largest employer in the City and the third largest glass making plant in the United States. At its peak, the Owens-Illinois workforce was fully one-fifth of the City's total population. It is not too much to say that at that time, much of the communities' economic, social, and cultural life was driven by and connected to the glasshouse.

That dominance, brought stability and prosperity to the City but by the late 1980s, with downsizing and overseas out-sourcing via, the Owens-Illinois workforce became a shadow of what it once was and ultimately the facility closed. With these changes, the City had to evolve yet again and that process is ongoing today.

Today, in the third decade of the 21st century, the City is still a regional center from state planning perspectives as well as being a County seat and the community has a role and identity that is quite different from what it was even a generation ago.

## **Economic Development**

As with so much of society today, industries are specializing and this is driven by technology and innovation. Accordingly, the City is focused on the food industry and those efforts are geared toward projects such as developing the Florida Avenue Industrial Park into a “food industry cluster” that includes the Rutgers Food Innovation Center, a 23,000 square foot incubation facility for start-ups in the food industry and the Food Commercialization Center which is a 31,000 square foot facility that serves a food business “accelerator” for this start-up companies that have outgrown the Food Innovation Center.

Both facilities serve as landing spots for national companies needing to scale up as well as international companies desiring to become established in the U.S market. One example of its value to national companies was the arrival of Impossible Foods who perfected production of their “Impossible Burger” in 2016 into 2017 as they pursued growth on the East Coast and beyond. Several overseas companies have utilized these facilities as they become established in the U.S and achieve compliance with USDA requirements for food manufacturing.

Complementing these food industry assets are several food-related companies including Cumberland Dairy, which is owned by the Dairy Farmers of America and provides dairy products for such chains as MacDonald’s and Wawa Stores. Cumberland Dairy/DFA recently completed a \$20 million Phase I expansion and will be undertaking Phase II within the next 12 months. The total expansion, which will consist of four phases, is estimated to be \$85 million. Other companies include White Wave, which produces the “Silk” milk product lines and Shoreline Freezers which is expanding its cold storage capacity.

The City is a diverse community and while there is much focus on the food industry, the City possesses other assets such as Bridgeton City Park and Zoo. At first glance, Bridgeton City Park might appear to be mainly a recreation amenity for residents, but Bridgeton City Park is also part of the City’s economic development strategy because of its potential.

Located next to the downtown and encompassing over 350 acres, Bridgeton City Park is being developed into a regional asset for a wider audience. The park to date features the Cohanzick Zoo, a municipal zoo with 100 animals accounting for 47 species. In addition to the Cohanzick Zoo, Bridgeton City Park features a splash park, miniature golf, a beach and lake, an amphitheater, a network of walking trails, and a number of playing fields and courts. Enhancing and investing in existing venues and activities, as well as installing new venues and activities is the order of the day as growth and development evolve over time and become a destination for families in South Jersey.

The City will continue to develop its relationships and partnerships with institutions of higher learning such as Rutgers University and Stockton University as well as utilize its incentives including its Urban Enterprise Zone (UEZ) designation, its two Opportunity Zones, its inclusion in the Cumberland Empowerment Zone, and the tools provided through the designation of various Redevelopment Areas including Long Term Tax Exemptions and Tax Abatements for developers locating within its boundaries. These assets will be part of incentivizing growth and development in this unique community located in this corridor between NYC, Washington DC, and Philadelphia.

## **Additional Projects**

In addition to the focus on the food innovation and commercialization, the City is working with businesses and developers on other fronts including an \$11 million expansion of Shoreline Freezers, a company that provides large scale cold storage facilities and residential development in the Phoenix Redevelopment Area in the southeast part of the City. Preliminary steps (i.e. designating redevelopers) are being carried out with developers for a Phase I project consisting of 77 townhouse units in the Phoenix Redevelopment Area.

These projects will complement the newly completed 68-unit River Grove housing project which consists of 68 units of workforce housing for those working in the agriculture industry and 20 units for other income-qualified applicants. Rather than a single “clustered” development, the project was part of a broader revitalization effort in the Southeast Gateway Neighborhood that capitalized on the advantages of in-fill construction to preserve and enhance existing neighborhoods.

In addition to the River Grove project, the 154 Unit complex formerly known as Bridgeton Villas and re-branded as “Ivy Square”, was purchased by Winn Development in 2017 and was the focus of a \$20 million renovation effort. In addition to the Ivy Square project, the 196 unit Amity Heights Apartments is set to receive a similar renovation effort by AH Preservation LLC.

On the commercial front, J & J Development Corporation is completing construction of a new Wawa Gas and Convenience Store facility on the edge of the Central Business District and the installation of \$17 million solar project by KDC Solar has been completed.

## **Library**

The Bridgeton Library has been in continuous operation since 1811 with the exception of five years in the 1850's. It became a municipal library by referendum in 1922 and incorporated in 1923. There were additions to the building in 1926 and again in 1967. The 1967 addition increased the total area to more than 16,000 square feet.

The library houses a collection of over 60,000 volumes, 1,900 newspapers and periodicals, microfilm, videos, audio books, etc. with strong collections in local history and genealogy. The library also belongs to an audio book circuit. The collections and services are augmented by the New Jersey Library Network beginning with the Cumberland County Library.

The Bridgeton Library is a critical partner with the Bridgeton Public Schools in equipping and educating students in the City's community. The library is focused on youth programs and activities for teens with a special emphasis on college and career readiness.

The library has met and surpassed New Jersey requirements for receiving State Aid funding. It has two (2) professional librarians with certification, six (6) non-professional staff, full or part-time, which includes a bookkeeper and Computer Service Technician. It is open 35 hours a week for service.

## **Police and Fire Protection**

Police protection is provided by a force of 72 personnel which includes one (1) Chief, one (1) Captain, six (6) Lieutenants, nine (9) Sergeants, forty-nine (49) Officers, and two (6) clerical staff which includes a uniformed patrol Bureau, Criminal Investigation Bureau, Administrative and Special Services Bureau, and Internal Affairs Bureau. The Department maintains an in-house dispatch operation with seven (7) full-time dispatchers. The department is proactive whether in the area of youth including the Police Athletic League, Station House Adjustment programs for first-time juvenile offenders or other outreach efforts, the Bridgeton Police Department is dedicated to the equitable and impartial enforcement of the laws and ordinances to protect human life, property, and to maintain the public peace.

The Bridgeton Fire Department has one (1) Fire Chief, twenty-two (22) full-time firefighters and fifteen (15) full-time EMT's with six (6) EMT personnel serving on a per diem basis. There is one (1) clerical staff and one (1) Fire Inspector. At present, the BFD handles 1,200-1,400 fire calls per year and 4,000 and 6,000 EMS calls per annum. The Bridgeton Fire Department is generally responsible for fire suppression, BASIC life support (BLS), emergency medical services, fire education and prevention programming, fire inspections, investigations, hydrant maintenance and related supervisory/administration duties. The Fire Department provides fire prevention services to seven (7) other jurisdictions and provides mutual assistance to surrounding communities. The EMS Division

provides services to four (4) other jurisdictions through a shared services framework that see them cover some 70 square miles of service area.

## **Public Works**

The Department of Public Works, which is overseen by the Public Works Director, includes the Water & Sewer Divisions that provide invaluable service to the community. Responsible for the 6.2 square miles of the City limits, the department oversees improvements, facilities and service related to water supply and distribution; sanitary and storm sewers and drains; streets, roads, bridges and sidewalks; rivers, streams, waterfront and flood damage control and reduction; street lightning; public buildings, parks and solid waste utility.

The municipality maintains a sewage collection system consisting of eight pumping stations and nearly 75 miles of sewer mains handling approximately 3 MGD of sewage. The treatment of this sewage is handled by the Cumberland County Utilities Authority.

The sewage collection system serves 100% of its residents and water is provided by the City to all its residents. The current water system has been in operation for approximately 130 years, with continual upgrading infrastructure upgrades. The City has in place a surcharge in addition to usage rates in order to allow for regular and ongoing upgrades and improvements to the wells, pump stations and subterranean components.

The Streets and Roads Department consists of a workforce of thirteen (13) laborers and two (2) clerical employees. The Public Buildings Department consists of a workforce of two (2) laborers.

The Water and Sewer Utility consists of a workforce of one (1) Superintendent, two (2) clerical staff, and eleven (11) laborers.

## **Municipal Court**

The Bridgeton Joint Municipal Court currently operates with eight (8) persons not including the judge, prosecutor, and public defender which work under professional services agreements and/or contracts. In addition to serving the City, the municipal court also serve Fairfield Township through a shared services agreement. The court handles the highest number of case filings in Vicinage 15 for the fifth consecutive year. In 2019, the court had a total number of 26,441 filings which included everything from indictable offenses, property maintenance/code violations, parking offenses, petty disorderly offenses and a variety of ordinance violations. The court disposed of over 91% of their filings (24,173).

## **Accumulated Vacation and Sick Leave**

With very limited exceptions, the City does not allow the carrying of vacation time over to the next calendar year. The City has ceased the practice of buying back vacation time. The City permits employees to accumulate unused sick time. Employees will be compensated for unused sick time upon retirement up to a maximum of \$ 15,000. To be eligible for retirement from the NJ State Pension Plan an employee must be either over age 60, have 25 years of service, or be a veteran with 20 years of service. Employees not eligible for retirement are not entitled to payment for accumulated sick time unless beginning a pension at the time of separation. The Division of Local Government Services does not presently permit the recording of an accrual for compensated absences. Unused sick pay approved for payment has traditionally been approved and paid from the operating budget on a cash basis, consistent with the "budgetary" basis of accounting as described in Note 1 to the financial statements.

**Pension Costs**

Those City employees who are eligible for pension coverage are enrolled in one of three 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 I: Financial Statements of the City, Note 9 to Financial Statements.

**Employee Collective Bargaining Units**

City employees are represented by eight (8) bargaining units. The union representing a particular group, the employees that it represents, and the year in which a contract expires is as follows:

- Teamster's Local Union 676: Streets/Roads/Parks/Water/Sewer/Zoo Expires 12/31/23
- Cumberland County Council #18 : Non-Supervisory Capacities R & F Expires 12/31/21
- Cumberland County Council #18: Supervisors Expires 12/31/23
- Policemen's Benevolent Assoc. Local #94 F/T Police Officers (exclude Chief/Captain) Exp 12/31/21
- Policeman’s Benevolent Assoc. Local 94A Superior Officers Exp 12/31/21
- Fire (IAFF) FMBA Local 52, F/T Firefighters Expired 12/31/20 negotiations being completed
- Fire FMBA 252 Superior Officers Exp 12/31/21
- EMTs/Paramedica Int’l Assoc Local 52-352 Exp 12/31/22

**City Employees**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Full-time	202	208	205	206	213
Part-time	<u>45</u>	<u>58</u>	<u>51</u>	<u>55</u>	<u>50</u>
Total	<u>247</u>	<u>266</u>	<u>256</u>	<u>261</u>	<u>263</u>

**City Population(1)**

2010 Federal Census	25,349
2000 Federal Census	22,771
1990 Federal Census	18,942
1980 Federal Census	18,795
1970 Federal Census	20,495

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

## Selected Census 2019 Data for the City (1)

Median household income	\$37,804
Per capita income	\$16,160

## City Labor Force (2)

The following table discloses annual average labor force data for the City.

City	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Labor Force	8,117	8,059	8,061	8,069	8,292
Employed	7,267	7,547	7,419	7,399	7,568
Unemployed	833	512	642	670	724
Unemployment Rate	10.3%	6.4%	8.0%	8.3%	8.7%
<b>County</b>					
Labor Force	66,408	65,061	64,566	65,243	66,246
Employment	59,192	61,481	60,438	60,702	61,285
Unemployment	7,208	3,580	4,128	4,541	4,961
Unemployment Rate	10.8%	5.5%	6.4%	7.0%	7.5%
<b>State</b>					
Labor Force	4,514,533	4,493,100	4,432,500	4,454,700	4,473,800
Employment	4,074,300	4,333,300	4,250,800	4,248,700	4,251,200
Unemployment	440,258	159,800	181,700	205,900	222,600
Unemployment Rate	9.7%	3.6%	4.1%	4.6%	5.0%

## Building, Zoning and Development Codes

The Land Use and the Zoning Ordinances were adopted in 1976 to coincide with the new Uniform Construction Act of 1976. The City building codes conform to standards of the New Jersey Uniform Construction Code. These codes and other Municipal Codes are codified as a basis for improved administration and regulation and for the purpose of promoting the uniform construction and growth of a community; however, due to the age of the housing stock and limited areas for growth within the City, these regulations have been used almost exclusively for rehabilitation purposes.

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

(2) Source: New Jersey Department of Labor

**TEN LARGEST EMPLOYERS (1)**

<b><u>Company</u></b>	<b><u>Nature of Business</u></b>	<b><u>Approximate Number of Employees</u></b>
Inspira Health Network	Health Care	3,393
Bridgeton Public Schools	Education	1,069
South Woods State Prison	Correctional Facility	950
Ardagh Group	Glass Manufacturing	393
South State Inc.	Construction	290
Gateway Community Action Partnership	Community Services	281
Complete Care, Inc	Health Care	253
City of Bridgeton	Municipality	247
Cumberland Dairy	Food Manufacturing	194
Danone Industries	Food Industry	134

**Building Permits Issued(2)**

<b><u>Year</u></b>	<b><u>Number of Permits Issued</u></b>	<b><u>Value of Construction</u></b>
2020	467	\$43,305,017
2019	575	14,747,079
2018	567	22,418,613
2017	647	11,455,915
2016	835	6,817,478

(1) Source: City Officials

(2) Source: City Construction Official



## GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

The public school system in the City is operated by the Bridgeton City Board of Education (the "Board of Education") as a Type II school district. It functions independently through a nine member board, elected by the voters in alternate three year terms.

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

The City's public school system consists of a four-year comprehensive high school, five K-8 elementary schools, one PreK-8 elementary school, and a pre-school. The system includes an early college high school program, an extended day and year 6-8 program (ExCEL), as well as extensive educational opportunities for handicapped students.

### CITY OF BRIDGETON SCHOOL DISTRICT SCHOOL ENROLLMENTS(1)

<b><u>Grade</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>October 15, 2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
PS,PK,K	675	731	754	772	817
1	408	418	451	420	469
2	404	432	412	444	504
3	428	409	447	451	482
4	407	437	454	473	456
5	428	449	447	444	407
6	439	440	431	456	366
7	441	439	436	381	343
8	440	439	395	357	319
9	422	396	372	347	388
10	372	341	321	327	316
11	319	285	277	297	218
12	293	259	295	235	193
Special Education	<u>480</u>	<u>515</u>	<u>513</u>	<u>474</u>	<u>445</u>
Totals	<u>5,956</u>	<u>5,990</u>	<u>6,005</u>	<u>5,878</u>	<u>5,725</u>

(1) Source: School District Officials

**PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)**

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Functional Capacity</u>
Geraldyn O. Foster Early Childhood Center	2004	---	Preschool	360
Buckshutem Road School	1951	1962, 1993, 2015	K-8, Special Ed.	580
Cherry Street School	1962	1975	K-8, Special Ed.	405
Indian Avenue School	1955	1962, 1975	K-8, Special Ed.	408
Quarter Mile Lane School	1955	1962, 1996, 2016	PK-8, Special Ed.	581
West Avenue School	1962	1994	K-8, Special Ed.	370
Broad Street School	1922	1930, 1976, 1983	K-8, Special Ed.	667
Bridgeton High School	1958	---	9-12, Special Ed.	<u>835</u>
Totals				<u>4,206</u>

(1) Source: School District Officials

**HIGHER EDUCATION FACILITIES**

**Rowan College of South Jersey**

Rowan College of South Jersey formed on July 1, 2019 as the result of a historic jointure of two community colleges – Cumberland County College and Rowan College at Gloucester. It is fully accredited by the Middle States Commission on Higher Education, and is an open door, comprehensive, two-year public institution, dedicated to meeting the needs of area residents and employers for educational advancement and career training. It is the first partnership of its kind in New Jersey, with more than 100 years of combined experience in delivering affordable, quality education to students throughout the region.

Rowan College of South Jersey provides students with more choices, including the option to pursue advanced degrees at Rowan University and other four-year universities, without ever leaving the Rowan College of South Jersey campuses. It serves more than 10,000 full- and part-time students with degree and workforce development programs on campuses in Cumberland and Gloucester Counties. Together these two campuses offer more than 120 unique degrees and certificates, combining 100 years of experience to provide a variety of degree selections, cost-saving initiatives, and scholarship and internship opportunities, at one of the lowest tuition rates in the State.

The merger of these two community colleges, in conjunction with an expanded 10-year premier partnership agreement with Rowan University, leads the way to a future filled with diverse and one-of-a-kind educational opportunities. Students seeking can take classes and save money with high school dual enrollment programs, including “Rowan High School Start” and the High School Option Program (HSOP); two successful collaborations between Rowan College of South Jersey and local high schools. Through exclusive programs like Rowan Choice and “3+1” degree offerings, the education cost savings are substantial and students can easily transition to Rowan University for a bachelor’s

degree. Academic and workforce-training programs ensure the availability of skilled employees, answering both professional and community needs.

The exciting connection between education, business and labor also extends into the medical field. The 27 miles along Route 55 between Rowan College of South Jersey's Gloucester and Cumberland campuses integrates education, medical services and commerce to establish South Jersey's first EDs, MEDs & Commerce Corridor. The premier partnership with Rowan University — a research university with two medical schools — and future campus construction intended to house both public and private medical, labor and business entities, will continue to increase the academic advantages for students while benefitting economic development in the South Jersey region.

### **Cumberland County Technical Education Center**

The Cumberland County Board of Vocational Education was created by the Cumberland County Board of Chosen Freeholders in 1969.

Land was purchased at a location centrally located for busing of the four County public high schools and one parochial high school. An attractive functional building was constructed and, in September 1972, classes were opened at the Cumberland County Technical Educational Center located in Bridgeton, NJ.

In May of 2014, The Cumberland County Board of Chosen Freeholders expanded upon their initial vocational school offerings and approved a \$70 million bond ordinance with the State of NJ shouldering 69% of the cost to construct a 204,000 sq. ft. full-time Technical Education Center. The facility opened in 2016 adjacent to the campus of Cumberland County College. The location enables the College, Technical Education Center, and Center for Workforce and Economic Development to all be housed on one campus to work together to create a well trained workforce.

The Cumberland County Technical Education Center (TEC) is in its fourth year of enrolling full time students. The interest in attending the new school has exceeded the expectations of those involved in its creation. Each year over 1,000 students apply for 240 available seats. When fully enrolled, the new school will hold over 1,100 students in grade 9-12.

In October 2018, the Cumberland County Board of Chosen Freeholders approved a \$23 million bond ordinance with the State of New Jersey incurring 72.1% of the cost of to construct a 55,000 sq. ft. expansion of the current facility that will be home to our Health Science and Medicine Program. Historically, Health Science and Medicine has been the most enrolled program. Currently there are four applicants for every one seat. This consistent enrollment, coupled with a health system that serves as Cumberland County's top employer, provides the rationale for the expansion that will serve as an anchor for quality medical training for a variety of populations. Additionally, Adult Education classes are held on the entire campus, with TEC as the lead on evening courses.

As of June 30, 2020 there are approximately 819 full time students (grades 9-12), 13 STRIVE students, 115 other students and 30 adult students for a total of 977 students.

**CERTAIN TAX INFORMATION**

**TEN LARGEST TAXPAYERS (1)**

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<b>2021</b> <u>Assessed</u> <u>Valuation</u>
SPBH I, LLC	Apartment Buildings	\$ 10,653,600
White Wave Inc.	Manufacturing, Food	6,650,000
NIA Associates	Apartment Buildings	6,500,000
Ardagh Glass Containers	Manufacturing, Glass	6,186,100
Indian Run 2020, LLC	Apartment Buildings	5,712,900
Paramount Properties	Shopping Center	4,189,700
Bridgeton H&V Realty	Nursing Home	4,175,000
25 East Broad Street, LLC	Drug Store	3,936,000
Glen Park Apartments, LP	Apartment Buildings	3,787,300
Rite Aid Corp.	Drug Store	3,758,000

**CURRENT TAX COLLECTIONS (2)**

<u>Year</u>	<u>Total Levy</u>	<u>Outstanding End of Year</u>		<u>Collected in Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020 (3) \$	23,994,418	\$ 52,754	0.22%	\$ 23,414,556	97.58%
2019	23,637,273	43,633	0.18%	22,830,260	96.59%
2018	22,527,208	40,330	0.18%	21,844,329	96.97%
2017	22,175,924	35,146	0.16%	21,658,342	97.67%
2016	21,505,214	36,420	0.17%	21,077,794	98.01%

**DELINQUENT TAXES (2)**

<u>Year</u>	<u>Outstanding</u> <u>Beginning of</u> <u>Year</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred</u> <u>to Liens</u>	<u>Other</u> <u>Credits</u>	<u>Outstanding</u> <u>End of</u> <u>Year</u>
			<u>Amount</u>	<u>Percentage</u>			
2020 (3) \$	80,671	\$ 7,452	\$ 42,597	48.34%	-	\$ 24,239	\$ 21,287
2019	69,873	5,000	32,288	43.12%	\$ 5,546	-	37,039
2018	65,963	8,019	5,353	7.24%	7,680	31,406	29,543
2017	51,441	5,310	2,875	5.07%	-	23,059	30,817
2016	550,643	9,338	424,885	75.87%	18,329	101,746	15,021

(1) Source: City Tax Assessor

(2) Source: Annual Report of Audit, unless otherwise indicated

(3) Information from Annual Compiled Financial Statement

**TAX TITLE LIENS (1)**

<u>Year</u>	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Added by</u> <u>Sales and</u> <u>Transfers</u>	<u>Collected</u>	<u>Canceled</u>	<u>Foreclosures/</u> <u>Transfers</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
2020 (2) \$	1,601,342	\$ 507,059	\$ 343,544	\$ 14,862	\$ 262,156	\$ 1,487,839
2019	1,236,139	706,883	341,680	-	-	1,601,342
2018	865,220	592,207	192,134	-	29,154	1,236,139
2017	883,793	458,967	431,584	4,416	41,540	865,220
2016	759,981	390,400	198,039	9,740	58,809	883,793

**FORECLOSED PROPERTY (1)(3)**

<u>Year</u>	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Adjustment</u> <u>to Assessed</u> <u>Valuation</u>	<u>Added by</u> <u>Transfer</u>	<u>Collected in</u> <u>Trust-Tax Liq.</u> <u>Proceeds</u>	<u>Loss on</u> <u>Sale of</u> <u>Property</u>	<u>Balance</u> <u>End of</u> <u>Year</u>
2020 (2) \$	2,976,700	\$ 657,651	\$ 388,149	\$ 300	\$ 1,200	\$4,021,000
2019	3,016,700	33,599	801	20,550	53,850	2,976,700
2018	3,172,100	120,343	39,857	58,050	257,550	3,016,700
2017	3,150,900	155,614	51,886	50,720	135,580	3,172,100
2016	2,934,820	206,770	76,956	10,501	57,145	3,150,900

**CURRENT WATER/SEWER UTILITY COLLECTIONS (1)**

<u>Year</u>	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Total Levy</u>	<u>Outstanding End of Year</u>		<u>Collected in Year of Levy</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020 (2) \$	728,332	\$ 10,079,546	\$ 1,053,708	10.45%	\$ 9,696,101	96.20%
2019	669,848	9,145,167	728,332	7.96%	9,019,593	98.63%
2018	636,960	8,915,059	669,848	7.51%	8,809,085	98.81%
2017	678,133	8,892,036	636,960	7.16%	8,877,100	99.83%
2016	705,320	9,149,149	678,133	7.41%	9,108,464	99.56%

**CURRENT SOLID WASTE UTILITY COLLECTIONS (1)**

<u>Year</u>	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Total Levy</u>	<u>Outstanding End of Year</u>		<u>Collected in Year of Levy</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020 (2) \$	132,242	\$ 1,780,175	\$ 271,025	15.22%	\$ 1,608,610	90.36%
2019	134,307	1,754,809	132,242	7.54%	1,716,698	97.83%
2018	143,417	1,761,510	134,307	7.62%	1,727,903	98.09%
2017	148,109	1,759,160	143,417	8.15%	1,740,307	98.93%
2016	233,528	1,744,742	148,109	8.49%	1,799,075	103.11%

- (1) Source: Annual Report of Audit, unless otherwise indicated  
(2) Information from Annual Compiled Financial Statement  
(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>						
		<u>Total Rate</u>	<u>County</u>					
			<u>County</u>	<u>Health</u>	<u>Open Space</u>	<u>Local School</u>	<u>Municipal</u>	
							<u>Library</u>	
2020	\$ 480,529,987	\$ 4.984	\$ 1.327	\$ 0.066	\$ 0.012	\$ 0.766	\$ 2.776	\$ 0.037
2019	479,790,241	4.871	1.281	0.060	0.012	0.767	2.713	0.038
2018	482,859,446	4.657	1.163	0.056	0.011	0.762	2.630	0.035
2017	489,768,920	4.522	1.109	0.053	0.011	0.751	2.565	0.033
2016	489,499,429	4.387	1.040	0.051	0.010	0.740	2.514	0.032

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

<u>Year</u>	<u>Real Property</u>		<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita(4)</u>
	<u>Assessed Valuation</u>				
2020	\$ 476,775,000		90.52%	\$ 526,706,805	\$ 20,778
2019	476,168,300		89.96%	529,311,138	20,881
2018	478,965,100		97.72%	490,140,299	19,336
2017	485,858,300		101.50%	478,678,128	18,884
2016	485,613,400		104.75%	463,592,745	18,288

**REAL PROPERTY CLASSIFICATION (5)**

<u>Year</u>	<u>Assessed Value of Land and</u>						
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2020	\$ 476,775,000	\$ 5,746,800	\$ 320,550,000	\$ 88,678,700	\$ 35,441,300	\$ 26,244,900	\$ 113,300
2019	476,168,300	5,353,000	314,693,500	93,038,800	35,281,800	27,690,300	110,900
2018	478,965,100	5,265,800	314,843,700	94,568,400	36,397,800	27,690,300	199,100
2017	485,858,300	5,386,600	314,862,800	95,928,300	36,579,700	32,824,900	276,000
2016	485,613,400	5,042,300	315,172,400	95,746,700	36,579,700	32,796,300	276,000

- (1) Source: City Tax Collector  
(2) Per \$100 of Assessed Valuation  
(3) Source: State of New Jersey, Department of Treasury, Division of Taxation  
(4) Based on 2010 Census of 25,349  
(5) Source: City Tax Assessor

**CITY OF BRIDGETON  
DEBT SUMMARY (1)(2)**

The following table summarizes the direct debt of the City of Bridgeton as of December 31, 2020, in accordance with the requirements of the Local Bond Law. The gross debt comprises 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 local school district debt, and debt considered to be self-liquidating. The resulting net debt of \$13,273,665 represents 2.528% of the average of equalized valuations for the City for the last three years, of \$525,057,962, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Debt Auth. But Not Issued	Gross Debt	Deductions		Net Debt
	Bonds	Notes	Loans/Leases			School District	Self-Liquidating Debt	
General		\$ 9,301,660	\$ 285,657	\$ 3,541,348	\$ 13,128,665			\$ 13,128,665
School District					-			-
Water/Sewer		707,167	2,784,310	1,833	3,493,310		\$ 3,493,310	0
Solid Waste		95,000		50,000	145,000			145,000
	<u>\$ -</u>	<u>\$ 10,103,827</u>	<u>\$ 3,069,967</u>	<u>\$ 3,593,181</u>	<u>\$ 16,766,975</u>	<u>\$ -</u>	<u>\$ 3,493,310</u>	<u>\$ 13,273,665</u>

(1) As of December 31, 2020

(2) Source: Chief Financial Officer

## DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	\$	525,057,962
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020		2.53%
2020 Net Valuation Taxable	\$	480,529,987
2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	530,461,792
Gross Debt (2)		
As a Percentage of 2020 Net Valuation Taxable		3.49%
As a Percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		3.16%
Net Debt (2)		
As a Percentage of 2020 Net Valuation Taxable		2.76%
As a Percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		2.50%
Gross Debt per Capita (3)	\$	661
Net Debt per Capita (3)	\$	524

## CITY BORROWING CAPACITY (1)

3.5% of Average (2018-20) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$525,057,962)	\$	18,377,029
Net Debt		(13,273,665)
Remaining Borrowing Capacity	\$	5,103,364

## LOCAL SCHOOL BORROWING CAPACITY (1)

4% of Average (2018-20) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$525,057,962)	\$	21,002,318
Net Debt		-
Remaining Borrowing Capacity	\$	21,002,318

- (1) As of December 31, 2020  
(2) Excluding overlapping debt  
(3) Based on Census 2010 of 25,349



**CITY OF BRIDGETON  
OVERLAPPING DEBT  
AS OF DECEMBER 31, 2019**

	<b>DEBT ISSUED</b>				<b>Debt Auth. but not Issued</b>
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Cumberland:					
General					
Bonds	\$ 60,130,000	\$ 3,149,789 (1)	\$ 56,980,211	\$ 3,529,703 (2)	
Notes	13,060,000		13,060,000	809,016 (2)	\$ 2,375,001
Loans	77,896,410	58,340,114	19,556,296	1,211,437 (2)	5,165,000
Bonds Issued by Other Public Body					
Guaranteed by the County	101,611,427	101,611,427			
Cumberland County Improvement Authority	30,755,355		30,755,355	30,755,355 (2)	
Cumberland County Utilities Authority	4,997,201		4,997,201	4,997,201 (2)	
	<u>\$ 288,450,393</u>	<u>\$ 163,101,330</u>	<u>\$ 125,349,063</u>	<u>\$ 41,302,712</u>	<u>\$ 7,540,001</u>

(1) Source: County Annual Debt Statement

(2) Includes County College Bonds.

(3) Such debt is allocated as a proportion of the Issuer's share of the total 2019 Net Valuations on which County taxes are apportioned, which is 6.19%.

**CITY OF BRIDGETON  
SCHEDULE OF DEBT SERVICE(1)  
(LOANS/LEASES)**

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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 528,053	\$ 242,062	\$ 770,115
2022	518,439	59,151	577,590
2023	435,610	48,943	484,553
2024	300,790	38,820	339,610
2025	303,517	31,695	335,212
2026	311,401	24,373	335,773
2027	313,687	16,633	330,320
2028	172,183	8,720	180,903
2029	186,288	4,560	190,848
	<u>\$ 3,069,967</u>	<u>\$ 474,955</u>	<u>\$ 3,544,922</u>

(1) As of December 31, 2020

**CITY OF BRIDGETON  
2020 MUNICIPAL BUDGET(1)**

**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$1,887,000
Miscellaneous Revenues:	
Local Revenues	1,143,937
State Aid without Offsetting Appropriations	4,420,168
Dedicated Uniform Construction Code Fees Offset with Appropriations	240,000
Director of Local Government Services--Shared Service Agreements	282,580
Public and Private Programs Offset with Appropriations	124,216
Other Special Items of Revenue	2,748,959
Receipts from Delinquent Taxes	200,000
Amount to be Raised by Taxation for Municipal Purposes	<u>13,512,756</u>
Total Anticipated Revenues	<u><u>\$24,559,616</u></u>

Appropriations:	
Within CAPS:	
Operations	\$18,989,357
Deferred Charges and Statutory Expenditures	2,925,684
Excluded from CAPS:	
Other Operations	247,151
Shared Service Agreements	282,580
Public and Private Programs	132,031
Capital Improvements	91,300
Debt Service	777,817
Transferred to Board of Education	15,256
Deferred Charges	92,185
Reserve for Uncollected Taxes	<u>1,006,255</u>
Total Appropriations	<u><u>\$24,559,616</u></u>

**WATER/SEWER UTILITY FUND**

Anticipated Revenues:	
Fund Balance	\$1,116,544
Rents	8,850,000
Service Connection Fees	7,000
Miscellaneous	<u>170,000</u>
Total Anticipated Revenues	<u><u>\$10,143,544</u></u>

Appropriations:	
Operating	\$9,205,488
Capital Improvement Fund	22,188
Debt Service	727,342
Pension, Social Security, Unemployment Compensation	<u>188,526</u>
Total Appropriations	<u><u>\$10,143,544</u></u>

**SOLID WASTE UTILITY FUND**

Anticipated Revenues:	
Fund Balance	\$377,000
Rents	1,725,000
Miscellaneous	<u>50,000</u>
Total Anticipated Revenues	<u><u>\$2,152,000</u></u>

Appropriations:	
Operating	\$2,006,619
Debt Service	84,135
Pension, Social Security, Unemployment Compensation	<u>61,246</u>
Total Appropriations	<u><u>\$2,152,000</u></u>

(1) Adopted

**CITY OF BRIDGETON  
CAPITAL PROGRAM FOR THE YEARS 2020-2025(1)**

	Estimated Total Cost	Future Years	Capital Improvement Fund	Grants-in-Aid and Other Funds	Bonds and Notes	
					General	Self- Liquidating
<b><u>General Improvements</u></b>						
PW Garage	\$ 2,000,000		\$ 100,000		\$ 1,900,000	
PW - Trucks	690,000		34,500		655,500	
PW - Equipment	120,000		6,000		114,000	
PW - Road Program	2,450,000		122,500		2,327,500	
PW - Tractor w/ attachments	75,000		3,750		71,250	
Fire - Brush Truck	50,000		2,500		47,500	
Fire - Ladder Truck	985,000		49,250		935,750	
Fire - Utility/Rescue Truck	100,000		5,000		95,000	
Fire - Engine	600,000		30,000		570,000	
EMS - Ambulance	706,000		35,300		670,700	
Police - Vehicle SUV	405,000		20,250		384,750	
Police Vehicle Radios	32,500		1,625		30,875	
Police - Computer Upgrades	70,000		3,500		66,500	
Police Building - Salley Port	100,000		5,000		95,000	
Police Command Post/SubStation	200,000		10,000		190,000	
Police - Rolling Records Filing System	15,000		750		14,250	
Admin- Computer/Server	20,000		1,000		19,000	
Radio Upgrade - PW & Code Enf	60,000		3,000		57,000	
Automotive Vehicle Lift - Garage	35,000		1,750		33,250	
Public Building Parking Lots	30,000		1,500	\$ 10,000	18,500	
City Park Improvements	600,000		30,000		570,000	
<b><u>Water/Sewer Utility</u></b>						
Water Meters	420,000	350,000		70,000		
Generators Sewer Pump Station #3	70,000					\$ 70,000
Godwin 6" Pump	35,000					35,000
Fire Hydrants	295,000	260,000		35,000		
Well Maintenance and Repair	500,000					500,000
GIS System - Water	200,000					200,000
GIS System - Sewer	100,000					100,000
Generators Well#19 & #23, PS #24	200,000					200,000
Water Vehicle/Trucks	200,000					200,000
Sewer Vehicle/Trucks	150,000					150,000
Water Line Replacement	2,000,000					2,000,000
Sewer Line Replacement	100,000					100,000
Well #14 Well Redev & Rad Plant	3,000,000					3,000,000
Generator for Well #2 & #24	100,000					100,000
Sewer Pump Stations-#6 and Zoo loc	70,000					70,000
Upgeade Radios - Water Sewer	25,000					25,000
<b><u>Solid Waste Utility</u></b>						
Street Sweeper	250,000					250,000
<b>Total - All Projects</b>	<b>\$ 17,058,500</b>	<b>\$ 610,000</b>	<b>\$ 467,175</b>	<b>\$ 115,000</b>	<b>\$ 8,866,325</b>	<b>\$7,000,000</b>

(1) Adopted

**APPENDIX B**

**FINANCAL STATEMENTS  
OF THE CITY OF BRIDGETON,  
IN THE COUNTY OF CUMBERLAND,  
NEW JERSEY**

**FOR THE YEAR ENDED 2020**  
**COMPILED FINANCIAL STATEMENTS**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Bridgeton  
Bridgeton, New Jersey 08302

Management is responsible for the accompanying financial statements of the City of Bridgeton, in the County of Cumberland, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds as of December 31, 2020 and the related statements of operations and changes in fund balances-- regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

/s/ Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
March 19, 2021

**CITY OF BRIDGETON**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2020

**ASSETS**

Regular Fund:

Cash - Treasurer	\$ 6,073,904.87
Change Funds	<u>950.00</u>
	<u>6,074,854.87</u>

Receivables and Other Assets with Full Reserves:

Delinquent Property Taxes Receivable	93,356.24
Tax Title Liens Receivable	1,487,839.25
Property Acquired for Taxes (at Assessed Valuation)	4,021,000.00
Other Assessments and Liens Receivable	191,705.93
Revenue Accounts Receivable	22,628.86
Protested Checks	35,105.83
Accounts Receivable - Cumberland County Prosecutor	31,375.00
Due Federal and State Grant Fund	1,935.06
Due Water and Sewer Utility Operating Fund	22,859.32
Due General Capital Fund	7,108.45
Due Animal Control Fund	258.05
Due Trust Other Fund	<u>27,605.68</u>
	<u>5,942,777.67</u>
	<u>12,017,632.54</u>

Federal and State Grant Fund:

Federal and State Grants Receivable	<u>1,536,788.76</u>
	<u>1,536,788.76</u>
	<u>\$ 13,554,421.30</u>



**CITY OF BRIDGETON**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2020

LIABILITIES, RESERVES AND FUND BALANCE

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 1,294,683.83
Reserve for Encumbrances	590,664.48
Accounts Payable	86,485.74
Reserve for Contract Settlements	774.10
Tax Overpayments	7,235.79
Prepaid Taxes	368,484.86
Due State of New Jersey:	
Reserve for Marriage Licenses	700.00
Reserve for State Surcharge Fees	3,388.00
Veterans' and Senior Citizens' Deductions	12,515.15
County Taxes Payable	0.07
County Taxes Payable - Added & Omitted	26,801.26
School Tax Payable	936,052.00
Reserve for Insurance Claim Proceeds	17,186.00
Reserve for Lease Payments	7,380.00
Reserve for School Tax Overpayments	107,900.00
Due Water and Sewer Utility Capital Fund	21,202.33
Due Solid Waste Utility Operating Fund	75,935.09

3,557,388.70

Reserve for Receivables and Other Assets 5,942,777.67

Fund Balance 2,517,466.17

12,017,632.54

Federal and State Grant Fund:

Unappropriated Reserves	10,843.65
Appropriated Reserves	1,060,005.42
Reserve for Encumbrances and Contracts Payable	449,485.16
Due Current Fund	1,935.06
Due Solid Waste Utility Fund	14,519.47

1,536,788.76

\$ 13,554,421.30

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**

**CURRENT FUND**

Statement of Operations and Changes in Fund Balance - Regulatory Basis

For the Year Ended December 31, 2020

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Revenue and Other Income Realized

Fund Balance Utilized	\$ 1,887,000.00
Miscellaneous Revenues Anticipated	9,344,976.84
Receipts from Delinquent Taxes	386,140.25
Receipts from Current Taxes	23,414,556.47
Non-Budget Revenues	216,099.61
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,196,490.81
Liquidate Reserves for:	
Due Trust Other Funds	24,758.16
Due Animal Control Trust Fund	482.94
	<hr/>
Total Income	36,470,505.08

Expenditures

Budget Appropriations:	
Operations Within "CAPS":	
Salaries and Wages	11,809,910.00
Other Expenses	7,167,447.00
Statutory Expenditures Within "CAPS"	2,937,683.51
Operations Excluded from "CAPS":	
Salaries and Wages	529,295.98
Other Expenses	435,884.99
Capital Improvements Excluded from "CAPS"	91,300.00
Deferred Charges--Excluded from "CAPS"	92,185.32
Debt Service	777,133.13
Transferred to Boards of Education	15,256.00
County Taxes	6,741,633.20
County Share of Added and Omitted Taxes -- Current Year	26,801.26
Local District School Tax	3,679,035.00
Prior Year Senior Citizen Deductions Disallowed	7,452.13
Refund of Prior Year Revenue	11,606.79
Cancelation of Grants Receivable	8,101.42
Create Reserve for:	
Due Water & Sewer Utility Operating Fund	22,859.32
Due General Capital Fund	5,965.53
Due Federal and State Grant Fund	1,935.06
Protested Checks	7,267.68
	<hr/>
Total Expenditures	34,368,753.32

Statutory Excess to Fund Balance 2,101,751.76

Fund Balance

Balance Jan. 1	<hr/> 2,302,714.41
	4,404,466.17
Decreased by:	
Utilized as Revenue	<hr/> 1,887,000.00
Balance Dec. 31	<hr/> <hr/> \$ 2,517,466.17

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves - Regulatory Basis  
As of December 31, 2020

ASSETS

Animal Control Fund:	
Cash - Treasurer	\$ 436.89
Community Development Block Grant Fund:	
Cash - Treasurer	116,413.67
Grant Funds Receivable	884,094.13
Loans and Mortgages Receivable	3,100,748.50
	4,101,256.30
Other Funds:	
Cash - Treasurer	2,582,487.09
Investments - Scholarship Account	341,096.84
Loans Receivable	9,069.21
Accounts Receivable	8,000.00
Deficit in Flexible Spending Reserve	1,586.53
	2,942,239.67
	\$ 7,043,932.86

LIABILITIES AND RESERVES

Animal Control Fund:	
Due Current Fund	\$ 258.05
Reserve for Animal Control Expenditures	178.84
	436.89
Community Development Block Grant Fund:	
Reserve for Mortgages Receivable	3,100,748.50
Reserve for Community Development Block Grant Fund	241,217.61
Reserve for Federal H.O.M.E.S. Consortium	523,924.67
Reserve for Local Law Enforcement Grant	2,254.50
Reserve for Encumbrances	159,566.08
Reserve for Federal Grants	55,627.87
Reserve for Lead Hazard Control Grant	13,251.07
Due State of New Jersey Division of Housing and Community Resources	4,666.00
	4,101,256.30

**CITY OF BRIDGETON**  
**TRUST FUND**  
Statement of Assets, Liabilities and Reserves - Regulatory Basis  
As of December 31, 2020

**LIABILITIES AND RESERVES (CONT'D)**

Other Funds:

Due Current Fund	\$	27,605.68
Reserve for Encumbrances		109,142.05
Contracts Payable		1,145.07
Reserve for Loans Receivable		9,069.21
Reserve for Hortense R. Headley Scholarship Fund		405,121.10
Reserve for Accumulated Absences		58,399.99
New Jersey Unemployment Compensation Insurance Fund		296,974.01
Reserve for Payroll Deductions Payable		122,131.35
Reserve for Bridgeton Alliance Against Drugs		57,748.00
Reserve for Workers' Compensation Self Insurance Claims		191.78
Reserve for Parking Offense Adjudication Act		17,473.49
Reserve for Developers' Escrow Deposits		480,381.50
Reserve for Ethanol Escrow		50,000.00
Reserve for Non-Life Hazard Fees		69,211.06
Reserve for Fire Safety		44,380.19
Reserve for Special Law Enforcement - Forfeited Property		436.13
Reserve For Public Defender		1,902.21
Reserve for Police Outside Services Trust		46,299.11
Reserve for Urban Enterprise Zone - Second Generation Funds		171,098.99
Reserve for Balanced Housing Neighborhood Preservation Grant		565.44
Reserve for Balanced Housing - Hope VI		798.77
Reserve for Historic Preservation		499.64
Reserve for Storm Recovery		18,638.34
Reserve for Federal Equitable Share		14,002.14
Reserve for Code Blue		7,603.63
Reserve for Donations to City Park		38,685.64
Reserve for Tax Title Lien		790,000.00
Reserve for Recreation		60,501.46
Reserve for Vacant and Abandoned Property		42,233.69
		2,942,239.67
	\$	7,043,932.86

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2020

ASSETS

Cash	\$	876,172.51
Due Water Sewer Capital Fund		504,000.00
Due Solid Waste Operating Fund		95,000.00
Deferred Charges to Future Taxation:		
Funded		285,656.53
Unfunded		12,750,426.68
		\$ 14,511,255.72

LIABILITIES, RESERVES AND FUND BALANCE

Due Current Fund	\$	7,108.45
Reserve for Payment of Debt		7.61
Reserve for Encumbrances and Contracts Payable		1,409,117.49
Capital Improvement Fund		3,693.11
Improvement Authorizations:		
Funded		51,860.00
Unfunded		2,126,132.60
Bond Anticipation Notes		10,551,660.00
Green Acres Program Loans Payable		155,692.89
Demolition Program Loans Payable		129,963.64
Fund Balance		76,019.93
		\$ 14,511,255.72

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2020

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ASSETS

Operating Fund:

Cash - Treasurer	\$ 2,411,690.24
Due Water Sewer Utility Capital Fund	<u>1,128.50</u>
	<u>2,412,818.74</u>

Receivables with Full Reserves:

Consumer Accounts Receivable	1,053,707.98
Water and Sewer Utility Liens	<u>115,306.66</u>
	<u>1,169,014.64</u>

Total Operating Fund	<u>3,581,833.38</u>
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Capital Fund:

Cash - Treasurer	1,487,148.22
Consumer Accounts Receivable - Surcharges	101,756.61
Due Current Fund	21,202.33
Fixed Capital	28,996,968.63
Fixed Capital Authorized and Uncompleted	<u>1,485,000.00</u>

Total Capital Fund	<u>32,092,075.79</u>
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\$ 35,673,909.17

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis  
As of December 31, 2020

LIABILITIES, RESERVES, AND FUND BALANCE

Operating Fund:

Appropriation Reserves	\$	484,042.16
Reserve for Encumbrances		150,210.59
Accounts Payable		43,088.60
Overpayments		9,635.66
Reserve for Contract Settlements		485.23
Accrued Interest on Bonds and Notes		31,281.48
Due Current Fund		22,859.32
		741,603.04
Reserve for Receivables		1,169,014.64
Fund Balance		1,671,215.70
 Total Operating Fund		 3,581,833.38

Capital Fund:

Improvement Authorizations:		
Fund		200,775.37
Unfunded		46,783.59
Reserve for Amortization		25,712,762.71
Reserve for Deferred Amortization		1,280,000.00
Reserve to Pay Debt		0.50
Reserve for Encumbrances and Contracts Payable		161,681.61
Reserve for Consumer Accounts Receivable - Surcharges		101,756.61
Reserve for Water Utility Revitalization		544,922.09
Due Water and Sewer Utility Operating Fund		1,128.50
Due General Capital Fund		504,000.00
Capital Improvement Fund		22,777.08
Bond Anticipation Notes		707,167.00
New Jersey Environmental Infrastructure Loans Payable		2,780,205.92
Fund Balance		28,114.81
 Total Capital Fund		 32,092,075.79
	<b>\$</b>	<b>35,673,909.17</b>

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY OPERATING FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2020

Revenue and Other Income Realized

Fund Balance Utilized	\$ 1,116,544.22
Rents	9,757,849.62
Service Connection Fees	8,600.00
Miscellaneous	160,802.85
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	556,701.57
Total Income	11,600,498.26

Expenditures

Operating	9,205,488.00
Capital Improvements	22,188.00
Debt Service	713,442.04
Deferred Charges & Statutory Expenditures	188,526.00
Total Expenditures	10,129,644.04

Statutory Excess to Fund Balance	1,470,854.22
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Fund Balance

Balance Jan. 1	1,316,905.70
	2,787,759.92
Decreased by:	
Utilized as Revenue	1,116,544.22
Balance Dec. 31	\$ 1,671,215.70

See Independent Accountant's Compilation Report and selected notes.



**CITY OF BRIDGETON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis  
As of December 31, 2020

ASSETS

Operating Fund:	
Cash - Treasurer	\$ 720,755.95
Due Current Fund	75,935.09
Due Federal & State Grant Fund	14,519.47
	811,210.51
Receivables with Full Reserves:	
Consumer Accounts Receivable	271,025.14
Solid Waste Utility Liens Receivable	51,169.32
	322,194.46
Total Operating Fund	1,133,404.97
Capital Fund:	
Due Solid Waste Utility Operating Fund	7,102.43
Fixed Capital	819,749.47
Fixed Capital Authorized and Uncompleted	53,321.10
	880,173.00
	\$ 2,013,577.97

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:	
Appropriation Reserves	\$ 98,316.92
Reserve for Encumbrances	256,865.10
Prepaid Accounts	51,267.17
Due General Capital Fund	95,000.00
Due Solid Waste Capital Fund	7,102.43
Reserve for Contract Settlements	112.17
Accrued Interest on Notes	428.82
Overpayments	2,971.88
	512,064.49
Reserve for Receivables	322,194.46
Fund Balance	299,146.02
	1,133,404.97
Capital Fund:	
Bond Anticipation Notes	95,000.00
Reserve for Amortization	728,070.57
Improvement Authorizations - Unfunded	52,371.70
Fund Balance	4,730.73
	880,173.00
	\$ 2,013,577.97

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
**SOLID WASTE UTILITY OPERATING FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2020

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Revenue and Other Income Realized

Operating Surplus Anticipated	\$ 377,000.00
Rents	1,638,248.71
Miscellaneous	55,567.28
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	232,301.37
Total Income	2,303,117.36

Expenditures

Operating	2,006,619.00
Debt Service	82,672.66
Statutory Expenditures	61,246.00
Total Expenditures	2,150,537.66
Statutory Excess in Revenue to Fund Balance	152,579.70

Fund Balance

Balance Jan. 1	523,566.32
Decreased by:	676,146.02
Utilized as Revenue	377,000.00
Balance Dec. 31	\$ 299,146.02

See Independent Accountant's Compilation Report and selected notes.

**CITY OF BRIDGETON**  
Selected Information – Substantially All Disclosures Required  
By the Regulatory Basis of Accounting Have Been Omitted  
For the Year Ended December 31, 2020

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

**Description of Financial Reporting Entity** - The City of Bridgeton (hereafter referred to as the “City”) was incorporated as a City by an act of the New Jersey legislature on March 3, 1845 from portions of Deerfield City. Bridgeton City was incorporated on March 1, 1865, replacing both Bridgeton City and Cohansey City. The City, located in Cumberland County, New Jersey, has a total area of approximately six and a half square miles, and is located approximately one hour from the City of Philadelphia. The City borders Upper Deerfield City, Hopewell City and Fairfield City. According to the 2010 census, the population is 25,349.

The City is governed within the Faulkner Act system of municipal government, formally known as the Optional Municipal Charter Law, under Mayor-Council Plan A, as implemented on July 1, 1970, based on the recommendations of a Charter Study Commission. Voters elect a Mayor and five City Council members. Council members are elected at-large in non-partisan elections and serve four-year concurrent terms of office. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

**Component Units** - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended 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 City, the primary government:

Bridgeton Free Public Library  
150 E. Commerce Street  
Bridgeton, New Jersey 08302

The annual financial report may be inspected directly at the office of this component unit during regular business hours.

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)** - In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

**Solid Waste Utility Operating and Capital Funds** - The solid waste utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned solid waste operations.

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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.

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

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

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

**Fund Balance** - Fund balances included in the current fund, water and sewer utility operating fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Bridgeton 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 January 1 to December 31.

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

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

**Library Taxes** - The municipality is responsible for levying, collecting and remitting library taxes for the Bridgeton Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

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

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

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

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

**FOR THE YEARS ENDED 2019, 2018, 2017, 2016  
AND 2015 AUDITED FINANCIAL STATEMENTS**



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Bridgeton  
Bridgeton, New Jersey 08302

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2019, 2018, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## **Opinions**

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2019, 2018, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2019, 2018, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,

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

/s/ Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
September 28, 2020

**CITY OF BRIDGETON**  
**CURRENT FUND**  
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

<u>ASSETS</u>	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Regular Fund:				
Cash - Treasurer	\$ 5,920,190.55	\$ 6,321,002.94	\$ 6,070,645.96	\$ 5,231,577.90
Change Funds	950.00	850.00	800.00	700.00
	<u>5,921,140.55</u>	<u>6,321,852.94</u>	<u>6,071,445.96</u>	<u>5,232,277.90</u>
Receivables and Other Assets with Full Reserves:				
Delinquent Property Taxes Receivable	80,671.09	69,872.62	65,963.28	51,440.52
Tax Title Liens Receivable	1,601,341.97	1,236,138.69	865,220.15	883,793.42
Property Acquired for Taxes (at Assessed Valuation)	2,976,700.00	3,016,700.00	3,172,100.00	3,150,900.00
Other Assessments and Liens Receivable	376,460.52	314,680.93	327,543.04	452,066.25
Revenue Accounts Receivable	22,628.86	36,624.00	22,721.88	31,566.45
Protested Checks	27,838.15	24,423.15	22,760.58	21,971.02
Accounts Receivable - Bridgeton Port Authority		44,418.84	44,418.84	44,418.84
Accounts Receivable - Cumberland County Prosecutor	31,375.00	31,375.00	31,375.00	11,375.00
Urban Enterprise Zone Authority Loan Receivable		115,301.25	115,301.25	115,301.25
Due Water and Sewer Utility Operating Fund	615,933.88	151,476.64	451,914.61	21,720.80
Due Solid Waste Utility Operating Fund			190,319.54	
Due General Capital Fund	1,142.92	3,220.54	352,281.98	55,769.66
Due Animal Control Fund	740.99	740.32	4,871.06	1,131.20
Due Trust Community Development		2,000.00		
Due Trust Other Fund	52,363.84		20,766.84	50,995.23
	<u>5,787,197.22</u>	<u>5,046,971.98</u>	<u>5,687,558.05</u>	<u>4,892,449.64</u>
Deferred Charges:				
Emergency Authorizations (40A:4-47)	1,263,984.00	326,630.00		363,424.92
Special Emergency Authorizations			105,000.00	210,000.00
	<u>1,263,984.00</u>	<u>326,630.00</u>	<u>105,000.00</u>	<u>573,424.92</u>
	<u>12,972,321.77</u>	<u>11,695,454.92</u>	<u>11,864,004.01</u>	<u>10,698,152.46</u>
Federal and State Grant Fund:				
Due Current Fund	50,615.97	301,242.44	162,514.97	8,098.91
Federal and State Grants Receivable	2,355,810.82	1,014,945.48	796,783.37	693,482.90
	<u>2,406,426.79</u>	<u>1,316,187.92</u>	<u>959,298.34</u>	<u>701,581.81</u>
	<u>\$ 15,378,748.56</u>	<u>\$ 13,011,642.84</u>	<u>\$ 12,823,302.35</u>	<u>\$ 11,399,734.27</u>

(Continued)

**CITY OF BRIDGETON**  
**CURRENT FUND**  
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	As of December 31,			
	2019	2018	2017	2016
Regular Fund:				
Liabilities:				
Appropriation Reserves	\$ 1,107,421.24	\$ 870,516.13	\$ 1,160,330.15	\$ 1,408,163.05
Reserve for Encumbrances	740,975.99	635,392.40	610,638.46	548,129.22
Accounts Payable	54,229.82	97,394.27	13,266.41	
Reserve for Contract Settlements	7,212.84	7,212.84	22,328.85	
Tax Overpayments		14,574.73	26,769.12	12,847.88
Prepaid Taxes	461,975.10	354,557.73	350,119.50	209,568.09
Reserve for Revaluation			51,355.01	52,922.24
Reserve for Emergency Damages - Library Water Damage				42,463.61
Reserve for Insurance Police Vehicle Lease				20,700.00
Reserve for Insurance Claim Proceeds		28,678.00	22,558.00	24,140.00
Reserve for Insurance Proceeds - Lightning Strike				99,000.00
Reserve for Insurance Proceeds - Library Water Damage				99,000.00
Special Emergency Note	1,250,000.00		105,000.00	284,000.00
Due State of New Jersey:				
Reserve for Marriage Licenses	850.00	550.00	900.00	675.00
Reserve for State Surcharge Fees	2,602.00	2,379.00	3,974.00	3,299.00
'Veterans' and Senior Citizens' Deductions	12,015.15	14,784.33	13,185.70	13,461.55
County Taxes Payable	0.11	0.11	0.11	0.11
County Taxes Payable - Added & Omitted	71,446.22	10,673.81	7,268.72	7,756.42
School Tax Payable	936,052.00	936,051.00	935,804.00	
Reserve for Lease Payments	16,236.00			
Reserve for School Tax Overpayments	107,900.00			
Due Water and Sewer Utility Capital Fund	22,735.23	12,646.29	5,602.65	
Due Trust Community Development	10,000.00			
Due Trust Other		357,089.79		
Due Solid Waste Utility Operating Fund	30,142.47	23,941.34		9,680.46
Due Federal and State Grant Fund	50,615.97	301,242.44	162,514.97	8,098.91
	4,882,410.14	3,667,684.21	3,491,615.65	2,843,905.54
Reserve for Receivables and Other Assets	5,787,197.22	5,046,971.98	5,687,558.05	4,892,449.64
Fund Balance	2,302,714.41	2,980,798.73	2,684,830.31	2,961,797.28
	12,972,321.77	11,695,454.92	11,864,004.01	10,698,152.46
Federal and State Grant Fund:				
Unappropriated Reserves	65,916.93	4,858.44	62,858.81	21,375.00
Appropriated Reserves	2,292,150.13	1,068,222.72	866,119.97	604,451.24
Reserve for Encumbrances and Contracts Payable	33,840.26	228,587.29	15,800.09	61,236.10
Due Solid Waste Utility Fund	14,519.47	14,519.47	14,519.47	14,519.47
	2,406,426.79	1,316,187.92	959,298.34	701,581.81
	<u>\$ 15,378,748.56</u>	<u>\$ 13,011,642.84</u>	<u>\$ 12,823,302.35</u>	<u>\$ 11,399,734.27</u>

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

**CITY OF BRIDGETON**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,			
	2019	2018	2017	2016
<b>Revenue and Other Income Realized</b>				
Fund Balance Utilized	\$ 2,107,900.00	\$ 1,900,000.00	\$ 1,900,000.00	\$ 2,255,000.00
Miscellaneous Revenues Anticipated	11,265,147.05	10,920,709.53	10,485,390.56	9,489,087.53
Receipts from Delinquent Taxes	373,968.41	197,487.53	434,458.95	622,924.21
Receipts from Current Taxes	22,830,259.60	21,844,329.24	21,658,341.54	21,077,793.79
Non-Budget Revenues	185,167.67	108,477.61	255,175.40	51,291.47
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	1,048,621.14	1,186,198.86	1,535,082.94	943,343.22
Cancellation of Accounts Payable		387.50		2.95
Cancellation of Grants Unappropriated			11,375.00	
Cancellation of Grants Appropriated			7,456.69	
Cancellation of Tax Overpayments	18,294.01	19,310.23		
Cancellation of Reserve for Revaluation		2,109.96		
Statutory Excess in Animal Control Fund		722.30		
Liquidate Reserves for:				
Accounts Receivable - Bridgeton Port Authority	44,418.84			
Urban Enterprise Zone Authority Loan Receivable	115,301.25			
Due from Federal and State Grant Fund				129,949.84
Due from Trust Other Fund		20,766.84	30,228.39	48,870.89
Due from Trust Community Development Fund	2,000.00			
Due from Animal Control Fund		4,130.74		
Due General Capital Fund	2,077.62			
Due from Solid Waste Utility Operating Fund		190,319.54		
<b>Total Income</b>	<b>37,993,155.59</b>	<b>36,394,949.88</b>	<b>36,317,509.47</b>	<b>34,618,263.90</b>
<b>Expenditures</b>				
Budget Appropriations:				
Operations Within "CAPS":				
Salaries and Wages	11,501,317.00	11,152,743.00	11,425,535.00	11,489,953.00
Other Expenses	8,010,098.00	7,968,731.00	7,436,546.00	7,297,574.92
Statutory Expenditures Within "CAPS"	2,991,057.78	2,859,378.00	2,720,784.00	2,778,705.00
Operations Excluded from "CAPS":				
Salaries and Wages	452,650.30	709,936.62	432,468.67	559,178.60
Other Expenses	2,588,588.74	950,887.49	740,197.16	735,957.77
Capital Improvements Excluded from "CAPS"	57,000.00	62,000.00		98,750.00
Deferred Charges--Excluded from "CAPS"	329,948.96	55,754.95	468,424.92	105,000.00
Debt Service	793,657.65	926,062.81	1,006,540.90	842,344.64
Transferred to Boards of Education	15,859.00	16,343.00	16,343.00	16,800.00
County Taxes	6,487,526.97	5,927,813.64	5,739,425.37	5,381,439.13
County Share of Added and Omitted Taxes -- Current Year	71,446.22	10,673.81	7,268.72	7,756.42
Local District School Tax	3,678,432.00	3,678,196.00	3,677,948.00	3,620,344.00
Prior Year Senior Citizen Deductions Disallowed	5,000.00	8,019.18	5,310.96	3,807.53
Refund of Prior Year Revenue - Prior Year Taxes			6,551.07	
Refund of Prior Year Revenue	120.00	2,954.70	14,060.99	
Cancellation of Accounts Receivable - Bridgeton Port Authority	44,418.84			
Cancellation of Urban Enterprise Zone Authority Loan Receivable	115,301.25			
Cancellation of Grants Receivable	13,187.81	37,757.51	55,516.59	
Create Reserve for:				
Accounts Receivable - Cumberland County Prosecutor			20,000.00	
Due from Trust Other Fund	52,363.84			203.05
Due from Animal Control Fund	0.67		3,739.86	
Due from Water & Sewer Utility Operating Fund	615,933.88	151,476.64	430,193.81	21,720.80
Due from Solid Waste Utility Operating Fund			190,319.54	
Due Trust Community Development		2,000.00		
Due from General Capital Fund		3,220.54	296,512.32	55,583.63
Protested Checks	3,415.00	1,662.57	789.56	5.55
<b>Total Expenditures</b>	<b>37,827,323.91</b>	<b>34,525,611.46</b>	<b>34,694,476.44</b>	<b>33,015,124.04</b>
Excess in Revenues - Carried Forward	165,831.68	1,869,338.42	1,623,033.03	1,603,139.86

(Continued)

**CITY OF BRIDGETON**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess in Revenues - Brought Forward	\$ 165,831.68	\$ 1,869,338.42	\$ 1,623,033.03	\$ 1,603,139.86
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>1,263,984.00</u>	<u>326,630.00</u>	<u>                    </u>	<u>363,424.92</u>
Statutory Excess to Fund Balance	1,429,815.68	2,195,968.42	1,623,033.03	1,966,564.78
<u>Fund Balance</u>				
Balance Jan. 1	<u>2,980,798.73</u>	<u>2,684,830.31</u>	<u>2,961,797.28</u>	<u>3,250,232.50</u>
	4,410,614.41	4,880,798.73	4,584,830.31	5,216,797.28
Decreased by:				
Utilized as Revenue	<u>2,107,900.00</u>	<u>1,900,000.00</u>	<u>1,900,000.00</u>	<u>2,255,000.00</u>
Balance Dec. 31	<u>\$ 2,302,714.41</u>	<u>\$ 2,980,798.73</u>	<u>\$ 2,684,830.31</u>	<u>\$ 2,961,797.28</u>

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

**CITY OF BRIDGETON**  
**TRUST FUND**  
Statements of Assets, Liabilities and Reserves - Regulatory Basis

<u>ASSETS</u>	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:				
Cash - Treasurer	\$ 261.68	\$ 6,287.32	\$ 11,472.66	\$ 9,818.40
Deferred Charge - Deficit	483.51			
	<u>745.19</u>	<u>6,287.32</u>	<u>11,472.66</u>	<u>9,818.40</u>
Community Development Block Grant Fund:				
Cash - Treasurer	109,707.17	107,471.35	226,709.23	339,255.93
Grant Funds Receivable	712,819.24	758,656.96	723,236.36	682,015.80
Loans and Mortgages Receivable	3,114,472.50	3,231,818.55	3,317,459.57	3,446,426.34
Due Current Fund	10,000.00			
	<u>3,946,998.91</u>	<u>4,097,946.86</u>	<u>4,267,405.16</u>	<u>4,467,698.07</u>
Other Funds:				
Cash - Treasurer	2,190,780.60	1,917,734.84	2,296,322.52	2,038,491.23
Cash - Certificates of Deposit	333,469.03			
Investments - Landfill Closure		1,225,714.38	1,594,488.26	1,611,615.20
Investments - Scholarship Account		404,565.90	403,705.28	401,128.02
Loans Receivable	12,075.67	14,993.38	26,693.80	
Accounts Receivable	8,000.00	8,000.00	8,000.00	8,000.00
Due Current Fund		357,089.79		
	<u>2,544,325.30</u>	<u>3,928,098.29</u>	<u>4,329,209.86</u>	<u>4,059,234.45</u>
	<u>\$6,492,069.40</u>	<u>\$8,032,332.47</u>	<u>\$8,608,087.68</u>	<u>\$8,536,750.92</u>
 <u>LIABILITIES AND RESERVES</u>				
Animal Control Fund:				
Due to State of New Jersey - Registration Fees	\$ 4.20	\$ 24.60		
Due Current Fund	740.99	740.32	\$ 4,871.06	\$ 1,131.20
Reserve for Animal Control Expenditures		5,522.40	6,601.60	8,687.20
	<u>745.19</u>	<u>6,287.32</u>	<u>11,472.66</u>	<u>9,818.40</u>
Community Development Block Grant Fund:				
Reserve for Loans and Mortgages Receivable	3,114,472.50	3,231,818.55	3,317,459.57	3,446,426.34
Reserve for Community Development Block Grant Fund	271,235.68	327,753.41	353,365.74	359,371.36
Reserve for Federal H.O.M.E.S. Consortium	388,073.62	310,551.17	285,989.35	278,648.55
Reserve for Local Law Enforcement Grant	2,254.50	2,254.50	2,254.50	2,254.50
Reserve for Encumbrances & Contracts Payable	67,649.68	132,065.25	94,912.33	101,548.63
Reserve for Federal Grants	85,586.33	74,035.99	196,181.12	262,317.70
Reserve for Lead Hazard Control Grant	13,060.60	12,801.99	12,576.55	12,464.99
Due to Current Fund		2,000.00		
Due State of New Jersey Division of Housing and Community Resources	4,666.00	4,666.00	4,666.00	4,666.00
	<u>3,946,998.91</u>	<u>4,097,946.86</u>	<u>4,267,405.16</u>	<u>4,467,698.07</u>

(Continued)

**CITY OF BRIDGETON**  
**TRUST FUND**  
Statements of Assets, Liabilities and Reserves - Regulatory Basis

<u>LIABILITIES AND RESERVES (CONT'D)</u>	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Other Funds:				
Due Current Fund	\$ 52,363.84		\$ 20,766.84	\$ 50,995.23
Due General Capital		\$ 1,500,000.00		
Reserve for Encumbrances	21,195.42	146,957.27	16,743.20	54,240.67
Contracts Payable	7,924.68	7,924.68	51,026.43	
Reserve for Contract Settlements			1,102.15	
Reserve for Loans Receivable	12,075.67	14,993.38	26,693.80	
Reserve for Hortense R. Headley Scholarship Fund	408,462.20	406,145.24	417,134.18	426,374.11
Reserve for Accumulated Absences	82,088.60	84,148.11	67,662.25	76,334.88
New Jersey Unemployment Compensation Insurance Fund	284,475.52	260,749.27	238,409.83	248,232.23
Reserve for Payroll Deductions Payable	122,418.43	131,230.20	127,480.31	139,550.77
Reserve For Flexible Spending	351.29	431.94	1,734.82	
Reserve for Bridgeton Alliance Against Drugs	55,201.85	45,272.98	35,764.99	37,199.20
Reserve for Workers' Compensation Self Insurance Claims	184.89	177.95	29.20	14.95
Reserve for Parking Offense Adjudication Act	17,826.26	16,940.44	17,423.17	17,010.17
Reserve for Developers' Escrow Deposits	282,952.91	257,018.47	289,174.45	269,367.26
Reserve for Ethanol Escrow	50,000.00	50,000.00	50,000.00	50,000.00
Reserve for Non-Life Hazard Fees	46,248.89	48,683.89	8,218.14	19,898.62
Reserve for Fire Safety	37,439.44	3,752.73	24,174.29	27,854.35
Reserve for Landfill Closure		89,981.24	1,595,102.32	1,612,229.26
Reserve for Tax Liquidation Proceeds	87,927.73	96,324.21	37,754.08	21,267.59
Reserve for Special Law Enforcement - Forfeited Property	429.88	421.37	413.94	410.27
Reserve For Public Defender	389.95	2,137.51	4,776.84	
Reserve for Police Outside Services Trust	53,105.02	45,770.91	40,972.93	35,838.72
Reserve for Urban Enterprise Zone - First Generation Funds			72,682.06	156,436.86
Reserve for Urban Enterprise Zone - Second Generation Funds	286,543.77	288,947.25	437,225.40	441,766.73
Reserve for Balanced Housing Neighborhood Preservation Grant	557.31	546.28	536.66	531.91
Reserve for Balanced Housing - Hope VI	787.28	771.68	758.08	751.36
Reserve for Historic Preservation	492.46	482.71	474.20	469.99
Reserve for Storm Recovery	15,925.26	15,441.33	15,760.69	19,472.50
Reserve for Snow Removal				
Reserve for Federal Equitable Share	91,657.55	89,842.65	88,245.85	3,061.71
Reserve for Code Blue	7,494.35	7,296.03	2,254.53	2,085.49
Reserve for Donations to City Park	45,170.11	47,444.15	52,789.86	40,825.04
Reserve for Tax Title Lien	346,700.00	143,200.00	484,400.00	215,900.00
Reserve for Recreation	84,405.77	95,459.59	101,524.37	91,114.58
Reserve for Vacant and Abandoned Property	41,528.97	29,604.83		
	<u>2,544,325.30</u>	<u>3,928,098.29</u>	<u>4,329,209.86</u>	<u>4,059,234.45</u>
	<u>\$6,492,069.40</u>	<u>\$8,032,332.47</u>	<u>\$8,608,087.68</u>	<u>\$8,536,750.92</u>

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



**CITY OF BRIDGETON**  
**GENERAL CAPITAL FUND**  
**Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis**

<u>ASSETS</u>	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 1,077,296.21	\$ 1,709,972.21	\$ 1,999,842.11	\$ 989,603.72
Due Trust Other Fund		1,500,000.00		
Due Federal Emergency Management Agency				1,971,505.09
Deferred Charges to Future Taxation:				
Funded	409,786.31	532,628.62	654,208.79	805,914.61
Unfunded	11,609,902.00	9,589,670.96	7,873,250.16	9,064,564.00
	<u>\$ 13,096,984.52</u>	<u>\$ 13,332,271.79</u>	<u>\$ 10,527,301.06</u>	<u>\$ 12,831,587.42</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Due Current Fund	\$ 1,142.92	\$ 3,220.54	\$ 352,281.98	\$ 55,769.66
Reserve for Payment of Debt	99,166.88	6,272.53	6,261.16	400,255.52
Reserve for Encumbrances and Contracts Payable	392,324.87	1,977,846.20	87,259.07	73,444.29
Capital Improvement Fund	553.11	5,753.11	59,346.11	124,157.11
Improvement Authorizations:				
Funded	2,000.00	18,038.00	8,941.64	208,292.22
Unfunded	3,666,918.50	2,062,493.50	932,527.65	2,265,133.35
Bond Anticipation Notes	8,479,990.00	8,572,741.00	8,344,296.00	8,545,681.00
Green Acres Program Loans Payable	221,035.20	285,090.04	347,882.74	440,801.09
Demolition Program Loans Payable	188,751.11	247,538.58	306,326.05	365,113.52
Fund Balance	45,101.93	153,278.29	82,178.66	352,939.66
	<u>\$ 13,096,984.52</u>	<u>\$ 13,332,271.79</u>	<u>\$ 10,527,301.06</u>	<u>\$ 12,831,587.42</u>

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

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis

	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>				
Operating Fund:				
Cash - Treasurer	\$ 2,599,279.15	\$ 2,169,515.53	\$ 3,096,706.90	\$ 2,535,029.36
Due Water Sewer Utility Capital Fund	170,329.72	190,879.30		177.66
	<u>2,769,608.87</u>	<u>2,360,394.83</u>	<u>3,096,706.90</u>	<u>2,535,207.02</u>
Receivables with Full Reserves:				
Consumer Accounts Receivable	728,331.79	669,848.41	636,959.80	678,132.55
Water and Sewer Utility Liens	131,243.07	118,239.49	82,737.62	73,213.72
	<u>859,574.86</u>	<u>788,087.90</u>	<u>719,697.42</u>	<u>751,346.27</u>
Deferred Charges:				
Emergency Authorizations (40A:4-47)				6,575.08
Total Operating Fund	<u>3,629,183.73</u>	<u>3,148,482.73</u>	<u>3,816,404.32</u>	<u>3,293,128.37</u>
Capital Fund:				
Cash - Treasurer	1,407,813.70	1,085,544.21	670,006.08	417,720.05
Consumer Accounts Receivable - Surcharges	76,236.00	56,627.64	38,501.20	
Due Current Fund	22,735.23	12,646.29	5,602.65	
Due Water and Sewer Utility Operating Fund			283.31	
Fixed Capital	28,974,780.63	28,839,450.21	28,610,954.95	28,408,539.92
Fixed Capital Authorized and Uncompleted	955,000.00			
Total Capital Fund	<u>31,436,565.56</u>	<u>29,994,268.35</u>	<u>29,325,348.19</u>	<u>28,826,259.97</u>
	<u>\$ 35,065,749.29</u>	<u>\$ 33,142,751.08</u>	<u>\$ 33,141,752.51</u>	<u>\$ 32,119,388.34</u>

(Continued)

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY FUND**  
Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis

	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>LIABILITIES, RESERVES, AND FUND BALANCE</u></b>				
<b>Operating Fund:</b>				
Appropriation Reserves	\$ 557,865.94	\$ 292,275.48	\$ 755,000.27	\$ 592,593.04
Reserve for Encumbrances	188,367.01	184,314.62	89,602.31	199,994.02
Contracts Payable		31,447.00	107,631.92	
Accounts Payable	42,980.83	32,333.83		
Overpayments	7,971.20	4,426.22	4,864.53	5,076.26
Reserve for Contract Settlements	2,190.39	2,190.39	4,361.00	
Accrued Interest on Bonds and Notes	37,393.92	44,393.33	48,351.67	53,668.35
Due Water Sewer Utility Capital Fund			283.31	
Due Current Fund	615,933.88	151,476.64	451,914.61	21,720.80
	<u>1,452,703.17</u>	<u>742,857.51</u>	<u>1,462,009.62</u>	<u>873,052.47</u>
Reserve for Receivables	859,574.86	788,087.90	719,697.42	751,346.27
Fund Balance	<u>1,316,905.70</u>	<u>1,617,537.32</u>	<u>1,634,697.28</u>	<u>1,668,729.63</u>
<b>Total Operating Fund</b>	<u><u>3,629,183.73</u></u>	<u><u>3,148,482.73</u></u>	<u><u>3,816,404.32</u></u>	<u><u>3,293,128.37</u></u>
<b>Capital Fund:</b>				
Improvement Authorizations:				
Funded	632,300.00			
Unfunded	152,900.00			
Reserve for Amortization	25,057,268.32	24,476,933.90	23,581,197.66	22,857,045.96
Reserve for Deferred Amortization	750,000.00			
Reserve to Pay Debt	0.50	166,650.50	366,650.50	366,650.50
Reserve for Encumbrances and Contracts Payable	120,825.00			
Reserve for Consumer Accounts Receivable - Surcharges	76,236.00	56,627.64	38,501.20	
Reserve for Water Utility Revitalization	508,301.82	689,768.81	258,349.65	
Due Water and Sewer Utility Operating Fund	170,329.72	190,879.30		177.66
Capital Improvement Fund	22,777.08	22,777.08	22,777.08	22,777.08
Bond Anticipation Notes	742,000.00	805,000.00	1,100,000.00	1,250,000.00
New Jersey Environmental Infrastructure Loans Payable	3,175,512.31	3,557,516.31	3,929,757.29	4,301,493.96
Fund Balance	<u>28,114.81</u>	<u>28,114.81</u>	<u>28,114.81</u>	<u>28,114.81</u>
<b>Total Capital Fund</b>	<u><u>31,436,565.56</u></u>	<u><u>29,994,268.35</u></u>	<u><u>29,325,348.19</u></u>	<u><u>28,826,259.97</u></u>
	<u><u>\$ 35,065,749.29</u></u>	<u><u>\$ 33,142,751.08</u></u>	<u><u>\$ 33,141,752.51</u></u>	<u><u>\$ 32,119,388.34</u></u>

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

**CITY OF BRIDGETON**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**Statements of Operations and Changes in Fund Balance - Regulatory Basis**

	For the Years Ended December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenue and Other Income Realized</b>				
Fund Balance Utilized	\$ 1,259,515.00	\$ 892,490.00	\$ 929,501.70	\$ 1,030,529.00
Rents	9,096,792.65	8,847,207.76	8,914,171.02	9,165,500.60
Service Connection Fees	8,900.00	7,725.00	10,600.00	26,850.00
Miscellaneous	403,234.45	367,276.72	146,858.00	157,494.73
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	237,932.09	623,162.22	637,337.69	177,624.85
<b>Total Income</b>	<u>11,006,374.19</u>	<u>10,737,861.70</u>	<u>10,638,468.41</u>	<u>10,557,999.18</u>
<b>Expenditures</b>				
Operating	9,126,469.00	8,582,128.78	8,393,190.00	8,530,286.88
Capital Improvements	182,455.00	157,087.00	347,148.50	242,238.20
Debt Service	544,494.81	779,297.88	622,685.48	683,388.39
Deferred Charges & Statutory Expenditures	194,072.00	194,018.00	179,975.08	179,400.00
<b>Total Expenditures</b>	<u>10,047,490.81</u>	<u>9,712,531.66</u>	<u>9,542,999.06</u>	<u>9,635,313.47</u>
Statutory Excess to Fund Balance	958,883.38	1,025,330.04	1,095,469.35	922,685.71
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year				6,575.08
Statutory Excess to Fund Balance	958,883.38	1,025,330.04	1,095,469.35	929,260.79
<b>Fund Balance</b>				
Balance Jan. 1	1,617,537.32	1,634,697.28	1,668,729.63	2,019,997.84
	2,576,420.70	2,660,027.32	2,764,198.98	2,949,258.63
Decreased by:				
Realized as Revenue in the Current Fund Budget		150,000.00	200,000.00	250,000.00
Utilized as Revenue	1,259,515.00	892,490.00	929,501.70	1,030,529.00
<b>Balance Dec. 31</b>	<u>\$ 1,316,905.70</u>	<u>\$ 1,617,537.32</u>	<u>\$ 1,634,697.28</u>	<u>\$ 1,668,729.63</u>

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

**CITY OF BRIDGETON**  
**SOLID WASTE UTILITY FUND**  
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

<u>ASSETS</u>	As of December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating Fund:</b>				
Cash - Treasurer	\$ 992,120.47	\$ 961,758.38	\$ 1,066,350.38	\$ 997,167.87
Due Current Fund	30,142.47	23,941.34		9,680.46
Due Federal & State Grant Fund	14,519.47	14,519.47	14,519.47	14,519.47
	<u>1,036,782.41</u>	<u>1,000,219.19</u>	<u>1,080,869.85</u>	<u>1,021,367.80</u>
<b>Receivables with Full Reserves:</b>				
Consumer Accounts Receivable	132,242.14	134,307.35	143,416.75	148,108.93
Solid Waste Utility Liens Receivable	66,085.60	61,884.47	38,915.11	34,345.20
	<u>198,327.74</u>	<u>196,191.82</u>	<u>182,331.86</u>	<u>182,454.13</u>
<b>Total Operating Fund</b>	<u>1,235,110.15</u>	<u>1,196,411.01</u>	<u>1,263,201.71</u>	<u>1,203,821.93</u>
<b>Capital Fund:</b>				
Due Solid Waste Utility Operating Fund	8,051.83	10,554.50	4,730.73	4,730.73
Fixed Capital	819,749.47	648,070.57	648,070.57	648,070.57
Fixed Capital Authorized and Uncompleted	53,321.10	225,000.00	4,730.73	4,730.73
<b>Total Capital Fund</b>	<u>881,122.40</u>	<u>883,625.07</u>	<u>657,532.03</u>	<u>657,532.03</u>
	<u>\$ 2,116,232.55</u>	<u>\$ 2,080,036.08</u>	<u>\$ 1,920,733.74</u>	<u>\$ 1,861,353.96</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>				
<b>Operating Fund:</b>				
Appropriation Reserves	\$ 280,787.17	\$ 245,373.73	\$ 216,839.81	\$ 170,667.58
Reserve for Encumbrances	166,231.26	179,731.00	89,644.51	107,275.00
Prepaid Accounts	55,200.48	41,318.72	46,238.46	47,763.07
Due Current Fund			190,319.54	
Due Solid Waste Capital Fund	8,051.83	10,554.50	4,730.73	4,730.73
Reserve for Contract Settlements	112.17	112.17	330.00	
Accrued Interest on Notes	1,256.16			
Overpayments	1,577.02	1,299.97	1,440.44	912.13
	<u>513,216.09</u>	<u>478,390.09</u>	<u>549,543.49</u>	<u>331,348.51</u>
Reserve for Receivables	198,327.74	196,191.82	182,331.86	182,454.13
Fund Balance	523,566.32	521,829.10	531,326.36	690,019.29
<b>Total Operating Fund</b>	<u>1,235,110.15</u>	<u>1,196,411.01</u>	<u>1,263,201.71</u>	<u>1,203,821.93</u>
<b>Capital Fund:</b>				
Loans Payable		60,000.00	120,000.00	180,000.00
Bond Anticipation Notes	175,000.00	175,000.00		
Accrued Interest on Notes		1,866.67		
Reserve for Amortization	648,070.57	588,070.57	532,801.30	472,801.30
Improvement Authorizations	53,321.10	53,957.10	4,730.73	4,730.73
Fund Balance	4,730.73	4,730.73		
<b>Total Capital Fund</b>	<u>881,122.40</u>	<u>883,625.07</u>	<u>657,532.03</u>	<u>657,532.03</u>
	<u>\$ 2,116,232.55</u>	<u>\$ 2,080,036.08</u>	<u>\$ 1,920,733.74</u>	<u>\$ 1,861,353.96</u>

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

**CITY OF BRIDGETON**  
**SOLID WASTE UTILITY OPERATING FUND**  
**Statements of Operations and Changes in Fund Balance - Regulatory Basis**

	For the Years Ended December 31,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>				
Operating Surplus Anticipated	\$ 291,823.00	\$ 273,307.00	\$ 180,765.00	\$ 140,280.00
Rents	1,757,287.45	1,749,057.95	1,757,329.52	1,833,442.59
Miscellaneous	63,238.05	63,570.85	56,682.19	58,051.50
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	<u>241,174.21</u>	<u>221,180.94</u>	<u>178,060.36</u>	<u>105,183.22</u>
Total Income	<u>2,353,522.71</u>	<u>2,307,116.74</u>	<u>2,172,837.07</u>	<u>2,136,957.31</u>
<u>Expenditures</u>				
Operating	1,931,382.00	1,922,250.00	1,832,504.00	1,774,280.00
Debt Service	64,639.49	60,000.00	60,000.00	60,000.00
Statutory Expenditures	<u>63,941.00</u>	<u>61,057.00</u>	<u>58,261.00</u>	<u>51,000.00</u>
Total Expenditures	<u>2,059,962.49</u>	<u>2,043,307.00</u>	<u>1,950,765.00</u>	<u>1,885,280.00</u>
Statutory Excess in Revenue to Fund Balance	293,560.22	263,809.74	222,072.07	251,677.31
<u>Fund Balance</u>				
Balance Jan. 1	<u>521,829.10</u>	<u>531,326.36</u>	<u>690,019.29</u>	<u>928,621.98</u>
	815,389.32	795,136.10	912,091.36	1,180,299.29
Decreased by:				
Realized as Revenue in the Current Fund			200,000.00	350,000.00
Utilized as Revenue	<u>291,823.00</u>	<u>273,307.00</u>	<u>180,765.00</u>	<u>140,280.00</u>
Balance Dec. 31	<u>\$ 523,566.32</u>	<u>\$ 521,829.10</u>	<u>\$ 531,326.36</u>	<u>\$ 690,019.29</u>

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

**CITY OF BRIDGETON**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

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

**Description of Financial Reporting Entity** - The City of Bridgeton (hereafter referred to as the "City") was incorporated as a City by an act of the New Jersey legislature on March 3, 1845 from portions of Deerfield City. Bridgeton City was incorporated on March 1, 1865, replacing both Bridgeton City and Cohansey City. The City, located in Cumberland County, New Jersey, has a total area of approximately six and a half square miles, and is located approximately one hour from the City of Philadelphia. The City borders Upper Deerfield City, Hopewell City and Fairfield City. According to the 2010 census, the population is 25,349.

The City is governed within the Faulkner Act system of municipal government, formally known as the Optional Municipal Charter Law, under Mayor-Council Plan A, as implemented on July 1, 1970, based on the recommendations of a Charter Study Commission. Voters elect a Mayor and five City Council members. Council members are elected at-large in non-partisan elections and serve four-year concurrent terms of office. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

**Component Units** - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended 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 City, the primary government:

Bridgeton Free Public Library  
150 E. Commerce Street  
Bridgeton, New Jersey 08302

The annual financial report may be inspected directly at the office of this component unit during regular business hours.

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)** - In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

**Solid Waste Utility Operating and Capital Funds** - The solid waste utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned solid waste operations.

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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.



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

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

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

**Fund Balance** - Fund balances included in the current fund, water and sewer utility operating fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Bridgeton 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 January 1 to December 31.

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

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

**Library Taxes** - The municipality is responsible for levying, collecting and remitting library taxes for the Bridgeton Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Although the City does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

**Custodial Credit Risk Related to Deposits (Cont'd)** - As of December 31, 2019, the City's bank balances of \$14,844,808.61 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 14,443,914.05
Uninsured and Uncollateralized	<u>400,894.56</u>
Total	<u>\$ 14,844,808.61</u>

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the calendar years (CY) 2019, 2018, 2017, 2016 and 2015, where indicated and the six-month transition year (TY) ended December 31, 2015, where indicated, as follows:

	<u>Year Ended</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 4.871</u>	<u>\$ 4.657</u>	<u>\$ 4.522</u>	<u>\$ 4.387</u>	<u>\$ 4.310</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.713	\$ 2.630	\$ 2.565	\$ 2.514	\$ 2.428
Municipal Library	0.038	0.035	0.033	0.032	0.032
County	1.281	1.163	1.109	1.040	1.049
County Health	0.060	0.056	0.053	0.051	0.052
County Open Space	0.012	0.011	0.011	0.010	0.011
Local School	0.767	0.762	0.751	0.740	0.738

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2019	\$ 479,790,241.00
2018	482,859,446.00
2017	489,768,920.00
2016	489,499,429.00
2015	490,729,575.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
CY 2019	\$ 23,637,272.87	\$ 22,830,259.60	96.59%
CY 2018	22,527,208.08	21,844,329.24	96.97%
CY 2017	22,175,924.21	21,658,341.54	97.67%
CY 2016	21,505,214.13	21,077,793.79	98.01%
TY 2015	10,707,547.09	9,988,215.78	93.28%

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

Five-year comparison of certain statistical information relative to property taxes and property tax collections (cont'd):

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
CY 2019	\$ 1,601,341.97	\$ 80,671.09	\$ 1,682,013.06	7.12%
CY 2018	1,236,138.69	69,872.62	1,306,011.31	5.80%
CY 2017	865,220.15	65,963.28	931,183.43	4.20%
CY 2016	883,793.42	51,440.52	935,233.94	4.35%
TY 2015	759,981.15	550,642.91	1,310,624.06	12.24%

The following comparison is made of the number of tax title liens receivable for the calendar year (CY) ended on December 31, where indicated and six-month transition year (TY) ended December 31, 2015 as follows:

<u>Year</u>	<u>Number</u>
CY 2019	539
CY 2018	504
CY 2017	383
CY 2016	366
TY 2015	323

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

The value of property acquired by liquidation of tax title liens for the calendar year (CY) ended on December 31, where indicated and six-month transition year (TY) ended December 31, 2015 as follows:

<u>Year</u>	<u>Amount</u>
CY 2019	\$ 2,976,700.00
CY 2018	3,016,700.00
CY 2017	3,172,100.00
CY 2016	3,150,900.00
TY 2015	2,934,820.00

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

The following is a five-year comparison of water and sewer utility service charges (rents) for the calendar year (CY) ended on December 31, where indicated and six-month transition year (TY) ended December 31, 2015 as follows:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
CY 2019	\$ 669,848.41	\$ 118,239.49	\$ 9,145,167.43	\$ 9,933,255.33	\$ 9,096,792.65
CY 2018	636,959.80	82,737.62	8,915,058.91	9,634,756.33	8,847,207.76
CY 2017	678,132.55	73,213.72	8,892,035.61	9,643,381.88	8,914,171.02
CY 2016	705,320.17	70,683.36	9,149,149.05	9,925,152.58	9,165,500.60
TY 2015	664,293.06	93,929.07	4,620,939.98	5,379,162.11	4,590,880.08

**Note 6: SOLID WASTE UTILITY SERVICE CHARGES**

The following is a five-year comparison of solid waste utility service charges (rents) for the calendar year (CY) ended on December 31, where indicated and six-month transition year (TY) ended December 31, 2015 as follows:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
CY 2019	\$ 134,307.35	\$ 61,884.47	\$ 1,754,809.41	\$ 1,951,001.23	\$ 1,757,287.45
CY 2018	143,416.75	38,915.11	1,761,510.18	1,943,842.04	1,749,057.95
CY 2017	148,108.93	34,345.20	1,759,159.54	1,941,613.67	1,757,329.52
CY 2016	233,528.12	38,965.92	1,744,742.36	2,017,236.40	1,833,442.59
TY 2015	131,437.85	55,510.68	864,798.39	1,051,746.92	772,352.75

**Note 7: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year, three previous calendar years and six-month transition year (TY) ended December 31, 2015, and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
CY 2019	\$ 2,302,714.41	\$ 1,887,000.00	81.95%
CY 2018	2,980,798.73	2,107,900.00	70.72%
CY 2017	2,684,830.31	1,900,000.00	70.77%
CY 2016	2,961,797.28	1,900,000.00	64.15%
TY 2015	3,250,232.50	2,255,000.00	69.38%

**Note 7: FUND BALANCES APPROPRIATED (CONT'D)**

The following schedules detail the amount of fund balances available at the end of the current year, three previous calendar years and six-month transition year (TY) ended December 31, 2015, and the amounts utilized in the subsequent year's budgets (cont'd):

**Water and Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utility Budget</u>	<u>Current Fund Budget</u>	
CY 2019	\$ 1,316,905.70	\$ 1,116,544.22		84.79%
CY 2018	1,617,537.32	1,259,515.00		77.87%
CY 2017	1,634,697.28	892,490.00	\$ 150,000.00	63.77%
CY 2016	1,668,729.63	929,501.70	200,000.00	67.69%
TY 2015	2,019,997.84	1,030,529.00	250,000.00	63.39%

**Solid Waste Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utility Budget</u>	<u>Current Fund Budget</u>	
CY 2019	\$ 523,566.32	\$ 377,000.00		72.01%
CY 2018	521,829.10	291,823.00		55.92%
CY 2017	531,326.36	273,307.00		51.44%
CY 2016	690,019.29	180,765.00	\$ 200,000.00	55.18%
TY 2015	928,621.98	140,280.00	350,000.00	52.80%

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2019:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 670,181.63	\$ 113,493.67
Federal and State Grant	50,615.97	14,519.47
Trust - Animal Control		740.99
Trust - Community Development	10,000.00	
Trust - Other		52,363.84
General Capital		1,142.92
Water and Sewer Utility - Operating	170,329.72	615,933.88
Water and Sewer Utility - Capital	22,735.23	170,329.72
Solid Waste Utility - Operating	44,661.94	8,051.83
Solid Waste Utility - Capital	8,051.83	
Totals	<u>\$ 976,576.32</u>	<u>\$ 976,576.32</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2020, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: PENSION PLANS**

A substantial number of the City's employees participate in one of the following defined benefit pension plans: The Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several City employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

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

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

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

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.



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

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The City's contractually required contribution rate for the year ended December 31, 2019 was 13.27% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the City's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$682,226.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$689,819.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$392,772.66.

**Police and Firemen's Retirement System** - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2019. 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.

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

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

The City's contractually required contribution rate for the year ended December 31, 2019 was 28.23% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2019, the City's contractually required contribution to the pension plan for the year ended December 31, 2019 is \$1,781,111.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 was \$1,820,759.00, which was paid on April 1, 2019. Employee contributions to the Plan during the year ended December 31, 2019 were \$635,708.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2019 was 3.64% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2019 is \$229,583.00, and was payable by April 1, 2020. Based on the PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2018 was \$202,734.00, which was paid on April 1, 2019.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2019, employee contributions totaled \$12,726.06, and the City's contributions were \$6,941.50. There were no forfeitures during the year.

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

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

**Public Employees' Retirement System** - At December 31, 2019, the City's proportionate share of the PERS net pension liability was \$12,637,610.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the City's proportion was 0.0701369227%, which was an increase of 0.0007859017% from its proportion measured as of June 30, 2018.

At December 31, 2019, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$690,107.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the City's contribution to PERS was \$689,819.00, and was paid on April 1, 2019.

**Police and Firemen's Retirement System** - At December 31, 2019, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 21,578,740.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>3,407,324.00</u>
	<u>\$ 24,986,064.00</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2019 measurement date, the City's proportion was 0.1763283156%, which was a decrease of 0.0099105191% from its proportion measured as of June 30, 2018. Likewise, at June 30, 2019, the State of New Jersey's proportion, on-behalf of the City, was 0.1763283156%, which was a decrease of 0.0099105191% from its proportion, on-behalf of the City, measured as of June 30, 2018.

At December 31, 2019, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is \$1,364,161.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the City's contribution to PFRS was \$1,820,759.00, and was paid on April 1, 2019.

At December 31, 2019, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2019 measurement date is \$395,903.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2019, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 226,829.00	\$ 182,152.00	\$ 408,981.00	\$ 55,828.00	\$ 136,619.00	\$ 192,447.00
Changes of Assumptions	1,261,911.00	739,405.00	2,001,316.00	4,386,474.00	6,974,051.00	11,360,525.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	199,489.00	292,385.00	491,874.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	475,049.00	29,130.00	504,179.00	500,145.00	2,608,645.00	3,108,790.00
City Contributions Subsequent to the Measurement Date	341,113.00	890,556.00	1,231,669.00	-	-	-
	<u>\$ 2,304,902.00</u>	<u>\$ 1,841,243.00</u>	<u>\$ 4,146,145.00</u>	<u>\$ 5,141,936.00</u>	<u>\$ 10,011,700.00</u>	<u>\$ 15,153,636.00</u>

\$341,113.00 and \$890,556.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2020. These amounts were based on an estimated April 1, 2021 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2019 to the City's year end of December 31, 2019.

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

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92

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

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2020	\$ (308,691.00)	\$ (1,824,624.00)	\$ (2,133,315.00)
2021	(1,163,841.00)	(3,007,245.00)	(4,171,086.00)
2022	(1,121,496.00)	(2,237,970.00)	(3,359,466.00)
2023	(540,330.00)	(1,282,705.00)	(1,823,035.00)
2024	(43,789.00)	(708,469.00)	(752,258.00)
	<u>\$ (3,178,147.00)</u>	<u>\$ (9,061,013.00)</u>	<u>\$(12,239,160.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases (1):		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

(1) Based on Years of Service

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

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PFRS, pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2019) 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 rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	



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

**Actuarial Assumptions (Cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2019 was 6.28% for PERS and 6.85% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057 for PERS and 2076 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 for PERS and 2076 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the City's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (5.28%)</b>	<b>Current Discount Rate (6.28%)</b>	<b>1% Increase (7.28%)</b>
City's Proportionate Share of the Net Pension Liability	<u>\$ 15,963,354.00</u>	<u>\$ 12,637,610.00</u>	<u>\$ 9,835,198.00</u>

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of June 30, 2019, the Plan's measurement date, for the City and the State of New Jersey, calculated using a discount rate of 6.85%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 29,166,593.00	\$ 21,578,740.00	\$ 15,298,698.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	<u>4,605,460.00</u>	<u>3,407,324.00</u>	<u>2,415,693.00</u>
	<u>\$ 33,772,053.00</u>	<u>\$ 24,986,064.00</u>	<u>\$ 17,714,391.00</u>

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

**Pension Plan Fiduciary Net Position**

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

**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.0701369227%	0.0693510210%	0.0724477629%	0.0711152512%
City's Proportionate Share of the Net Pension Liability	\$ 12,637,610.00	\$ 13,654,871.00	\$ 16,864,681.00	\$ 21,062,298.00
City's Covered Payroll (Plan Measurement Period)	\$ 4,935,800.00	\$ 4,860,256.00	\$ 4,889,696.00	\$ 4,909,620.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	256.04%	280.95%	344.90%	429.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Proportion of the Net Pension Liability	0.0683198948%	0.0703753677%	0.0670651130%	
City's Proportionate Share of the Net Pension Liability	\$ 15,336,448.00	\$ 13,176,194.00	\$ 12,817,475.00	
City's Covered Payroll (Plan Measurement Period)	\$ 4,657,776.00	\$ 4,814,828.00	\$ 4,595,628.00	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	329.27%	273.66%	278.91%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%	

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

**Supplementary Pension Information (Cont'd)**

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

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 682,226.00	\$ 689,819.00	\$ 671,151.00	\$ 631,778.00
City's Contribution in Relation to the Contractually Required Contribution	\$ (682,226.00)	(689,819.00)	(671,151.00)	(631,778.00)
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll (Calendar Year)	\$ 5,141,561.00	\$ 4,959,830.00	\$ 4,826,364.00	\$ 4,832,298.00
City's Contributions as a Percentage of Covered Payroll	13.27%	13.91%	13.91%	13.07%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 587,368.00	\$ 580,164.00	\$ 505,322.00	
City's Contribution in Relation to the Contractually Required Contribution	(587,368.00)	(580,164.00)	(505,322.00)	
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	
City's Covered Payroll (Calendar Year)	\$ 4,850,471.00	\$ 4,650,277.00	\$ 4,778,039.00	
City's Contributions as a Percentage of Covered Payroll	12.11%	12.48%	10.58%	

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

**Supplementary Pension Information (Cont'd)**

***Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Seven Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.1763283156%	0.1862388347%	0.1956365977%	0.1976688042%
City's Proportionate Share of the Net Pension Liability	\$ 21,578,740.00	\$ 25,201,185.00	\$ 30,202,508.00	\$ 37,759,798.00
State's Proportionate Share of the Net Pension Liability associated with the City	3,407,324.00	3,423,164.00	3,382,935.00	3,170,887.00
<b>Total</b>	<b>\$ 24,986,064.00</b>	<b>\$ 28,624,349.00</b>	<b>\$ 33,585,443.00</b>	<b>\$ 40,930,685.00</b>
City's Covered Payroll (Plan Measurement Period)	\$ 5,960,980.00	\$ 6,328,696.00	\$ 6,347,916.00	\$ 6,418,800.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	362.00%	398.21%	475.79%	588.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Proportion of the Net Pension Liability	0.2013499785%	0.2053337477%	0.1973817058%	
City's Proportionate Share of the Net Pension Liability	\$ 33,537,888.00	\$ 25,829,081.00	\$ 26,240,117.00	
State's Proportionate Share of the Net Pension Liability associated with the City	2,941,160.00	2,781,358.00	2,445,898.00	
<b>Total</b>	<b>\$ 36,479,048.00</b>	<b>\$ 28,610,439.00</b>	<b>\$ 28,686,015.00</b>	
City's Covered Payroll (Plan Measurement Period)	\$ 6,376,620.00	\$ 6,263,796.00	\$ 6,085,040.00	
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.95%	412.36%	431.22%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%	

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

**Supplementary Pension Information (Cont'd)**

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

	<u>Year Ended December 31,</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 1,781,111.00	\$ 1,820,759.00	\$ 1,731,420.00	\$ 1,611,674.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,781,111.00)</u>	<u>(1,820,759.00)</u>	<u>(1,731,420.00)</u>	<u>(1,611,674.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 6,309,705.00	\$ 6,019,466.00	\$ 6,215,232.00	\$ 6,272,459.00
City's Contributions as a Percentage of Covered Payroll	28.23%	30.25%	27.86%	25.69%
	<u>Year Ended December 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	
City's Contractually Required Contribution	\$ 1,636,675.00	\$ 1,577,105.00	\$ 1,440,053.00	
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,636,675.00)</u>	<u>(1,577,105.00)</u>	<u>(1,440,053.00)</u>	
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's Covered Payroll (Calendar Year)	\$ 6,340,031.00	\$ 6,435,453.00	\$ 6,416,656.00	
City's Contributions as a Percentage of Covered Payroll	25.81%	24.51%	22.44%	

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years: 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

***Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years: 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017, 6.51% 2018 and 6.85% 2019.

The Long-term Expected Rate of Return changed at June 30<sup>th</sup> over the following years: 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

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

**Supplementary Pension Information (Cont'd)**

**Other Notes to Supplementary Pension Information (Cont'd)**

***Police and Firemen's Retirement System (PFRS) (Cont'd)***

**Changes in Assumptions (Cont'd)**

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2013 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-201 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees, the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For beneficiaries mortality, the Pub-2010 General Retiree Below-Median Income Weighted mortality table, unadjusted, and with future improvement from the base year of 2010 on a generational basis was used. For disabled mortality, the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The City contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which 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 to retirees and their covered dependents of the participating 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 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 negotiations 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.

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The City was billed monthly by the Plan and paid \$46,463.19, for the year ended December 31, 2019, representing 0.41% of the City's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$896.18 to the Plan.



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**General Information about the OPEB Plan (Cont'd)**

**Contributions (Cont'd) - Special Funding Situation Component** - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the City, is \$341,507.00 for the year ended December 31, 2019 representing 2.98% of the City's covered payroll.

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2019 the City's and State's proportionate share of the net OPEB liability were as follows:

City's Proportionate Share of Net OPEB Liability	\$ 15,141,256.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the City	<u>25,763,940.00</u>
	<u>\$ 40,905,196.00</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The City's proportion of the net OPEB liability was 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, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the City's proportion was 0.111776% which was a decrease of 0.009889% from its proportion measured as of the June 30, 2018 measurement date.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**OPEB Liability (Cont'd)** - The State's proportion of the net OPEB liability, on-behalf of the City was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the City was 0.466255% which was an increase of 0.005247% from its proportion measured as of the June 30, 2018 measurement date.

**OPEB (Benefit) Expense** - At December 31, 2019, the City's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$892,498.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the City made contributions to the Plan totaling \$46,463.19.

At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2019 measurement date is \$341,507.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2019, the City had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 4,427,894.00
Changes of Assumptions	-	5,365,725.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	12,472.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	-	4,418,963.00
City Contributions Subsequent to the Measurement Date	26,192.86	-
	<u>\$ 38,664.86</u>	<u>\$ 14,212,582.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

\$26,192.86 reported as deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be included as a reduction of the City's net OPEB liability during the year ending December 31, 2020. The City will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<b>Year Ending Dec. 31,</b>	
2020	\$ (2,344,407.00)
2021	(2,344,407.00)
2022	(2,345,385.00)
2023	(2,346,965.00)
2024	(2,348,409.00)
Thereafter	<u>(2,470,537.00)</u>
	<u>\$ (14,200,110.00)</u>

**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

\* Salary Increases are Based on Years of Service  
Within the Respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. 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.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the City's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, for the City and the State of New Jersey, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
City's Proportionate Share of the Net OPEB Liability	\$ 17,507,144.00	\$ 15,141,256.00	\$ 13,218,660.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	29,789,669.00	25,763,940.00	22,492,503.00
	<u>\$ 47,296,813.00</u>	<u>\$ 40,905,196.00</u>	<u>\$ 35,711,163.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The City's and State's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	\$ 12,777,354.00	\$ 15,141,256.00	\$ 18,156,811.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	<u>21,741,590.00</u>	<u>25,763,940.00</u>	<u>30,895,124.00</u>
	<u>\$ 34,518,944.00</u>	<u>\$ 40,905,196.00</u>	<u>\$ 49,051,935.00</u>

**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the City's Proportionate Share of the net OPEB Liability (Last Three Plan Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.111776%	0.121665%	0.123908%
City's Proportionate Share of the Net OPEB Liability	\$ 15,141,256.00	\$ 19,060,791.00	\$ 25,296,796.00
State's Proportionate Share of the Net OPEB Liability Associated with the City	<u>25,763,940.00</u>	<u>28,646,320.00</u>	<u>42,797,606.00</u>
Total	<u>\$ 40,905,196.00</u>	<u>\$ 47,707,111.00</u>	<u>\$ 68,094,402.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 11,330,190.00	\$ 10,841,736.00	\$ 11,112,765.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	133.64%	175.81%	227.64%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Supplementary OPEB Information (Cont'd)**

***Schedule of the City's Contributions (Last Three Years)***

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Required Contributions	\$ 46,463.19	\$ 92,067.54	\$ 96,634.07
City's Contributions in Relation to the Required Contribution	<u>(46,463.19)</u>	<u>(92,067.54)</u>	<u>(96,634.07)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 11,451,266.00	\$ 10,979,296.00	\$ 11,041,596.00
City's Contributions as a Percentage of Covered Payroll	0.41%	0.84%	0.88%

**Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms**

In 2019, there were slight changes to the Chapter 48 provisions.

**Changes in Assumptions**

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

**Note 11: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each fiscal year. Unused sick leave may be accumulated and carried forward to the subsequent fiscal year. Vacation days not used during the fiscal year may not be accumulated and carried forward.

The City compensates employees for unused sick leave upon retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of \$15,000.00 for employees who commence service with the City on or after May 21, 2010, and is paid at the rate of pay upon termination or retirement.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2019, the balance of the fund was \$82,088.60. It is estimated that, at December 31, 2019, accrued benefits for compensated absences are valued at \$1,410,845.97.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 13: LEASE OBLIGATIONS**

At December 31, 2019, the City had lease agreements in effect for the following:

Capital:

- Equipment - Eighty (80) Police Radios
- Vehicles - Five (5) 2017 Ford Police Interceptors
- Two (2) 2018 Police Vehicles

Operating:

- One (1) Postage Meter
- Nine (9) Copiers

**Capital Leases** - The following is an analysis of the City's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2019</u>	<u>2018</u>
Equipment	\$ 91,404.72	\$ 134,550.26
Vehicles	74,202.04	155,221.74



**Note 13: LEASE OBLIGATIONS (CONT'D)**

**Capital Leases (Cont'd)** - The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 97,555.17	\$ 7,783.99	\$ 105,339.16
2021	68,051.59	2,635.41	70,687.00
Total	<u>\$ 165,606.76</u>	<u>\$ 10,419.40</u>	<u>\$ 176,026.16</u>

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

<u>Year</u>	<u>Amount</u>
2020	\$ 25,435.75
2021	18,753.00
2022	18,293.67
2023	16,271.54
2024	11,823.00

Rental payments under operating leases for the year 2019 were \$11,849.40.

**Note 14: CAPITAL DEBT**

**General Debt - New Jersey Green Acres Loans**

From 1993 through 2001, the City entered into four loan agreements with the New Jersey Department of Environmental Protection at interest rates ranging from 1%-2%. The proceeds were used to fund various projects throughout the City. Semiannual debt payments are required to be paid with the last one due July 1, 2023.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 65,342.31	\$ 4,095.62	\$ 69,437.93
2021	65,616.44	2,782.24	68,398.68
2022	51,688.37	1,473.76	53,162.13
2023	38,388.08	576.78	38,964.86
Totals	<u>\$ 221,035.20</u>	<u>\$ 8,928.40</u>	<u>\$ 229,963.60</u>

**Note 14: CAPITAL DEBT (CONT'D)**

**General Debt – Demolition Program Loans**

In 2003, the City entered into a loan agreement with the New Jersey Department of Community Affairs to provide \$929,456.26 with no interest. The proceeds were used to fund demolitions within the City. Annual debt payments are due February 25th through 2022.

In addition, in 2004, the City entered into a second loan agreement with the New Jersey Department of Community Affairs to provide \$256,208.18 with no interest. The proceeds were used to fund Urban and Rural Centers Unsafe Building Demolition. Annual debt payments are due October 15th through 2023.

The following schedule represents the remaining debt service, through maturity, for the Demolition Program Loans:

<u>Year</u>	<u>Principal</u>
2020	\$ 58,787.47
2021	58,787.47
2022	58,787.45
2023	<u>12,388.72</u>
Totals	<u>\$ 188,751.11</u>

**Water and Sewer - New Jersey Environmental Infrastructure Loans**

From 2003 to 2010, the City entered into five loan agreements with the New Jersey Environmental Infrastructure Trust to provide funding, at no interest, from the fund loan, interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund various projects within the City. Semiannual debt payments are due February 1st and August 1st through 2029.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 395,306.39	\$ 76,022.67	\$ 471,329.06
2021	403,649.56	66,642.12	470,291.68
2022	407,963.39	57,677.12	465,640.51
2023	384,833.56	48,365.95	433,199.51
2024	300,789.82	38,820.00	339,609.82
2025-2029	<u>1,282,969.59</u>	<u>85,980.00</u>	<u>1,368,949.59</u>
Totals	<u>\$ 3,175,512.31</u>	<u>\$ 373,507.86</u>	<u>\$ 3,549,020.17</u>

**Note 14: CAPITAL DEBT (CONT'D)**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Issued</u></b>			
General:			
Loans and Notes	\$ 8,889,776.31	\$ 9,105,369.62	\$ 8,998,504.79
Water and Sewer Utility:			
Loans and Notes	3,917,512.31	4,362,516.31	5,029,757.29
Solid Waste Utility:			
Loans and Notes	175,000.00	235,000.00	120,000.00
Total Issued	<u>12,982,288.62</u>	<u>13,702,885.93</u>	<u>14,148,262.08</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	3,130,308.00	1,017,325.96	907,030.00
Water and Sewer Utility:			
Bonds and Notes	205,000.00		
Solid Waste Utility:			
Bonds and Notes	50,000.00	50,000.00	
Total Authorized but not Issued	<u>3,385,308.00</u>	<u>1,067,325.96</u>	<u>907,030.00</u>
Total Issued and Authorized but not Issued	<u>16,367,596.62</u>	<u>14,770,211.89</u>	<u>15,055,292.08</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt	99,166.88	6,272.53	6,261.16
Utilities:			
Self-Liquidating	4,347,512.31	4,647,516.31	5,149,757.29
Total Deductions	<u>4,446,679.19</u>	<u>4,653,788.84</u>	<u>5,156,018.45</u>
<b>Net Debt</b>	<u>\$ 11,920,917.43</u>	<u>\$ 10,116,423.05</u>	<u>\$ 9,899,273.63</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 indicated a statutory net debt of 2.299%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Self-Liquidating	\$ 4,347,512.31	\$ 4,347,512.31	
General	12,020,084.31	99,166.88	\$ 11,920,917.43
	<u>\$ 16,367,596.62</u>	<u>\$ 4,446,679.19</u>	<u>\$ 11,920,917.43</u>

Net debt \$11,920,917.43 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$518,550,324.67, equals 2.299%.

**Note 14: CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	18,149,261.36
Less: Net Debt		<u>11,920,917.43</u>
Remaining Borrowing Power	\$	<u><u>6,228,343.93</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	10,768,442.10
Deductions:		
Operating and Maintenance Costs	\$	9,320,541.00
Debt Service		<u>544,494.81</u>
Total Deductions		<u>9,865,035.81</u>
Excess in Revenue	\$	<u><u>903,406.29</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	2,112,348.50
Deductions:		
Operating and Maintenance Costs	\$	1,995,323.00
Debt Service		<u>64,639.49</u>
Total Deductions		<u>2,059,962.49</u>
Excess in Revenue	\$	<u><u>52,386.01</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

**Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance</u> <u>December 31, 2019</u>
Current Fund:	
Emergency Authorization	\$ 1,263,984.00
Animal Control Trust Fund:	
Deficit	483.51

**Note 16: RISK MANAGEMENT**

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

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

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

<u>Year</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 22,353.67	\$ 5,499.43	\$ 4,126.85	\$ 284,475.52
2018	22,067.27	4,461.62	4,189.45	260,749.27
2017	21,629.13	2,162.32	33,613.85	238,409.83

It is estimated that unreimbursed payments on behalf of the City at December 31, 2019 are \$3,455.57.

**Joint Insurance Pool** - The City is a member of the Statewide Municipal Joint Insurance 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

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.

**Note 19: TAX ABATEMENTS**

The City enters into property tax abatement agreements with various local businesses, residential properties and Not for Profit entities, under several New Jersey Statutes that permit the City to enter into these agreements. The tax abatements are considered long term tax exemptions and their types of abatements vary between entities but include affordable housing, commercial/industrial, healthcare/not for profit and several five-year Urban Enterprise Zone residential properties. For the year ended December 31, 2019, the City abated \$1,243,652.77 in local purpose taxes and received in the aggregate of \$708,930.67 in lieu of local purpose taxes.

The following is a recapitulation of the total amount of taxes abated under the four aforementioned tax abatement programs:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Bridgeton Senior Housing	\$ 120,340.54
CA Villas	53,269.75
Hope VI	662,066.96
UEZ 5 Year Abatements	32,026.97
Novick	23,060.50
Nacho's Market	9,267.61
Bridgeton Apartments Urban Renewal	87,806.25
Community Health Care	17,618.22
Tri County Community Action	12,238.34
Kintock Group	225,957.63

**Note 20: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2019, several tax appeals were on file against the City, however, the estimated impact of any potential refunds would not be material.

**Authorization of Debt** – Subsequent to December 31, the City authorized additional bonds and notes on August 16, 2020 for Various Capital Improvements for \$766,000.00.

**Water Utility Revitalization Reserve** – On March 5, 2020, the City adopted an amendment to ordinance 19-02, appropriating an additional \$275,000.00 from the Water Utility Revitalization Reserve fund, to replace the water utility main on Lake Street, St. Lawrence Street and Franklin Drive. On July 21, 2020, the City adopted an ordinance appropriating \$105,000.00 from the Water Utility Revitalization Reserve fund for the acquisition of water meters and fire hydrants.

**COVID-19** - In response to the COVID-19 outbreak in the United States, the City Hall has been closed to the public since March 17, 2020. City employees worked on a modified schedule, including office staff working remotely when possible. Many events previously planned had been canceled or rescheduled. In addition, at a regular meeting of the Mayor and Council held on May 7, 2020, the City adopted Resolution 117-20, authorizing extension of grace period for payment of second quarter property taxes to June 1, 2020, pursuant to Executive Order No. 130 signed by the Governor of the State of New Jersey on April 27, 2020. Furthermore, at a meeting of the Mayor and Council held on May 19, 2020, the City adopted Resolution 121-20, authorizing the Tax Collector to prepare and mail estimated property tax bills for the third installment of 2020 taxes, as permitted by statutes. The City expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**Note 16: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - The Fund provides the City with the following coverage:

Property - Blanket Building and Grounds  
General and Automobile Liability  
Boiler and Machinery  
Crime Coverage  
Professional Liability  
Pollution Liability  
Non-Owned Aircraft Liability  
Privacy Liability and Network Risk Insurance  
Workers Compensation

The Fund publishes its own financial report for the year ended December 31, 2019, which can be obtained from:

Statewide Insurance Fund  
One Sylvan Way  
Suite 100  
Parsippany, New Jersey 07054

**Note 17: CONTINGENCIES**

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

**Litigation** - The City is a defendant in several legal proceedings that are in various stages of litigation. The majority of these proceedings are being handled through the City's aforementioned joint insurance pool, however, the City's deductible is significant. It is believed that the outcome, or exposure to the City, from such litigation is either unknown and certain potential losses, if any, have not been identified. The City has budgeted in 2020, \$75,000.00 for a potential settlement and would have the ability to fund any additional amount with a declaration of an emergency appropriation to be raised in a subsequent budget.

**Note 18: CONCENTRATIONS**

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

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION  
OF BOND COUNSEL**



\_\_\_\_\_, 2021

City Council of the  
City of Bridgeton, in the  
County of Cumberland, New Jersey

Dear Council Members:

We have acted as bond counsel to the City of Bridgeton, in the County of Cumberland, New Jersey (the "City"), in connection with the issuance by the City of its \$13,201,000 General Obligation Bonds, consisting of \$12,551,000 General Improvement Bonds and \$650,000 Water/Sewer Utility Bonds (together, the "Bonds"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the City adopted March 16, 2021 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the City, and the City has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the City has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the City continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the City in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,