

NEW ISSUE  
(Book-Entry Only)

RATING: S&P: "AA-"  
See "RATING" herein

## PRELIMINARY OFFICIAL STATEMENT DATED JULY 13, 2021

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

### BOROUGH OF BARRINGTON County of Camden, New Jersey

**\$2,070,000\***

#### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 (BANK QUALIFIED) (NON-CALLABLE)

**\$3,095,000\***

#### TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 (CALLABLE)

Dated: Date of Delivery

Due: November 1 (Tax-Exempt Refunding Bonds);  
July 15 (Taxable Refunding Bonds),  
each as shown on the inside front cover hereof

The: (i) \$2,070,000\* aggregate principal amount of General Obligation Refunding Bonds, Series 2021 ("Tax-Exempt Refunding Bonds"); and (ii) \$3,095,000\* aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2021 ("Taxable Refunding Bonds" and together with the Tax-Exempt Refunding Bonds, the "Refunding Bonds"), of the Borough of Barrington, County of Camden, New Jersey ("Borough"), shall be issued in fully registered book-entry only form without coupons. The principal of the Refunding Bonds shall be paid on their respective maturity dates in the amounts and in the years set forth on the inside cover page hereof upon presentation and surrender of the Refunding Bonds at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey as bond registrar and paying agent ("Paying Agent").

Interest on the Tax-Exempt Refunding Bonds is payable semiannually on May 1 and November 1, commencing November 1, 2021, in each year until maturity. The Tax-Exempt Refunding Bonds are not subject to redemption prior to their stated maturity dates. Interest on the Taxable Refunding Bonds is payable semiannually on January 15 and July 15, commencing January 15, 2022, in each year until maturity, or earlier redemption. The Taxable Refunding Bonds are subject to redemption prior to their stated maturity dates.

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

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Borough Council on June 10, 2021, and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Borough Council on June 10, 2021.

The Tax-Exempt Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) currently refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 2010, maturing on November 1 in the years 2022 through 2026, both dates inclusive; and (ii) pay the costs and expenses incidental to the issuance and delivery of the Tax-Exempt Refunding Bonds. The Taxable Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) advance refund and redeem all of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2014, maturing on July 15 in the years 2024 through 2039, both dates inclusive; and (ii) pay the costs and expenses incidental to the issuance and delivery of the Taxable Refunding Bonds.

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

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

The Refunding Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by its Solicitor, Tim Higgins, Esquire, Haddonfield, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as municipal advisor to the Borough in connection with the issuance of the Refunding Bonds. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about August \_\_, 2021.

**BAIRD**

\* Preliminary, subject to change

**BOROUGH OF BARRINGTON**  
**County of Camden, New Jersey**

**\$2,070,000\***

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021**

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

<b><u>Maturity Date</u></b>	<b><u>Tax-Exempt Refunding Bonds*</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP**</u></b>
2022	\$375,000	%	%	
2023	425,000			
2024	425,000			
2025	420,000			
2026	425,000			

**\$3,095,000\***

**TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021**

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

<b><u>Maturity Date</u></b>	<b><u>Taxable Refunding Bonds*</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP**</u></b>
2022	\$25,000	%	%	
2023	40,000			
2024	200,000			
2025	200,000			
2026	195,000			
2027	190,000			
2028	205,000			
2029	205,000			
2030	200,000			
2031	195,000			
2032	195,000			
2033	190,000			
2034	185,000			
2035	185,000			
2036	180,000			
2037	175,000			
2038	170,000			
2039	160,000			

\*Preliminary, subject to change.

\*\*A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Markets Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Refunding Bonds only at the time of issuance of the Refunding Bonds and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Refunding Bonds is subject to being changed after the issuance of the Refunding 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 Refunding Bonds.

**BOROUGH OF BARRINGTON  
COUNTY OF CAMDEN, NEW JERSEY**

**Elected Officials**

<b>Patti Harris</b>	<b>Mayor</b>
<b>Michael Beach</b>	<b>Council President</b>
<b>Wayne Robenolt</b>	<b>Councilperson</b>
<b>Kyle Hanson</b>	<b>Councilperson</b>
<b>Shawn Ludwig</b>	<b>Councilperson</b>
<b>Vincent Cerrito</b>	<b>Councilperson</b>
<b>Michael Drumm</b>	<b>Councilperson</b>

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**Borough Clerk  
Terry Shannon**

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**Chief Financial Officer  
Denise K. Moules**

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**Tax Collector  
Kristy Emmett**

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**Solicitor  
Timothy J. Higgins, Esquire  
Haddonfield, New Jersey**

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

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

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

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No dealer, broker, salesperson or other person has been authorized by the Borough or the Underwriter (as hereinafter defined) to give any information or to make any representations with respect to the Refunding 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 derived from the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and it is not to be construed as a representation by the Underwriter, or as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof.

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

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 Refunding Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

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

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

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

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**OFFICIAL STATEMENT  
Relating to**

**BOROUGH OF BARRINGTON  
County of Camden, New Jersey**

**\$2,070,000\*  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021  
(BANK QUALIFIED) (NON-CALLABLE)**

**\$3,095,000\*  
TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021  
(CALLABLE)**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page hereof and the appendices attached hereto, is to provide certain information relating to the issuance by the Borough of Barrington, County of Camden, New Jersey ("Borough"), of its (i) \$2,070,000\* aggregate principal amount of General Obligation Refunding Bonds, Series 2021 ("Tax-Exempt Refunding Bonds"); and (ii) \$3,095,000\* aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2021 ("Taxable Refunding Bonds"; together with the Tax-Exempt Refunding Bonds, the "Refunding Bonds").

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

**AUTHORIZATION FOR THE REFUNDING BONDS**

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Borough Council ("Council") on June 10, 2021, and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by Council on June 10, 2021 ("Resolution").

**PURPOSE OF THE REFUNDING BONDS**

The Tax-Exempt Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) currently refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 2010, maturing on November 1 in the years 2022 through 2026, both dates inclusive (the "2010 Refunded Bonds"); and (ii) pay the costs and expenses incidental to the issuance and delivery of the Tax-Exempt Refunding Bonds. The 2010 Refunded Bonds will be redeemed on November 1, 2021 ("2010 Redemption Date") at a price of 100% of the principal amount of such 2010 Refunded Bonds to be redeemed ("2010 Redemption Price").

\*Preliminary, subject to change.

The Taxable Refunding Bonds are being issued by the Borough to provide funds which will be used to: (i) advance refund and redeem all of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2014, maturing on July 15 in the years 2024 through 2039, both dates inclusive (the "2014 Refunded Bonds"; and together with the 2010 Refunded Bonds, the "Refunded Bonds"); and (ii) pay the costs and expenses incidental to the issuance and delivery of the Taxable Refunding Bonds. The 2014 Refunded Bonds will be redeemed on July 15, 2023 ("2014 Redemption Date" and, together with the 2010 Redemption Date, "Redemption Dates") at a price of 100% of the principal amount of such 2014 Refunded Bonds to be redeemed ("2014 Redemption Price" and, together with the 2010 Redemption Price, "Redemption Prices").

Pursuant to an Escrow Deposit Agreement ("Escrow Agreement"), dated the date of issuance of the Refunding Bonds, between the Borough and TD Bank, National Association, Cherry Hill, New Jersey, as escrow agent ("Escrow Agent"), the Borough will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payment of the Redemption Prices of and interest on the Refunded Bonds to the Redemption Dates.

The mathematical calculations and adequacy of the deposit provided for the payment of the Refunded Bonds will be verified by Bowman & Company LLP, Voorhees, New Jersey, certified public accountants ("Verification Agent"), at the time of the delivery of the Refunding Bonds. All moneys and Government Obligations deposited for the payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Refunding Bonds.

	Tax Exempt Refunding Bonds	Taxable Refunding Bonds	Total
<b>Estimated Sources of Funds:</b>			
Principal Amount of Refunding Bonds	\$	\$	\$
[Net] Original Issue Premium			
Total Estimated Sources	\$	\$	\$
<b>Estimated Uses of Funds:</b>			
Deposit to Escrow Fund	\$	\$	\$
Costs of Issuance <sup>1</sup>			
Underwriter's Discount			
Total Estimated Uses	\$	\$	\$

<sup>1</sup> Includes legal fees, Municipal Advisory fees, accounting fees, Escrow Agent fees, printing costs, Rating Agency's fees, Verification Agent fees, contingency and miscellaneous expenses incurred in connection with the issuance of the Refunding Bonds.

## THE REFUNDING BONDS

### Description

#### *Tax-Exempt Refunding Bonds*

The Tax-Exempt Refunding Bonds will be issued in the aggregate principal amount of \$2,070,000\*, will be dated their date of delivery, as shown on the inside cover page to this Official Statement, and will bear interest from that date at the rates set forth on the cover page hereof. Interest on the Tax-Exempt Refunding Bonds will be payable semiannually on May 1 and November 1 ("Interest Payment Dates"), commencing November 1, 2021, in each year until maturity. The Tax-Exempt Refunding Bonds will mature on November 1 in the years and in the principal amounts, all as shown on the inside cover page of this Official Statement. The Tax-Exempt Refunding Bonds are not subject to redemption prior to their stated maturity dates.

The Tax-Exempt Refunding Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Tax-Exempt Refunding Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Tax-Exempt Refunding Bonds at the principal corporate trust office of TD Bank, National Association as registrar and paying agent ("Paying Agent"). Interest on each Tax-Exempt Refunding Bond shall be payable on each Interest Payment Date of such Tax-Exempt Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the Borough for such purpose at the principal office of the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date ("Tax-Exempt Record Date").

#### *Taxable Refunding Bonds*

The Taxable Refunding Bonds will be issued in the aggregate principal amount of \$3,095,000\*, will be dated their date of delivery, as shown on the inside cover page to this Official Statement, and will bear interest from that date at the rates set forth on the cover page hereof. Interest on the Taxable Refunding Bonds will be payable semiannually on January 15 and July 15 ("Interest Payment Dates"), commencing January 15, 2022, in each year until maturity, or earlier redemption. The Taxable Refunding Bonds will mature on July 15 in the years and in the principal amounts, all as shown on the inside cover page of this Official Statement. The Taxable Refunding Bonds are subject to redemption prior to their stated maturity dates as set forth below.

The Taxable Refunding Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Taxable Refunding Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Taxable Refunding Bonds at the principal corporate trust office of the Paying Agent. Interest on each Taxable Refunding Bond shall be payable on each Interest Payment Date of such Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the Borough for such purpose at the principal office of the Paying Agent, as of the close of business on the first (1st) day of the calendar month

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\* Preliminary, subject to change.



containing an Interest Payment Date ("Taxable Record Date"; together with the Tax-Exempt Record Date, the "Record Dates").

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

## **Redemption Provisions**

### ***Tax-Exempt Refunding Bonds***

The Tax-Exempt Refunding Bonds are not subject to redemption prior to their stated maturity dates.

### ***Taxable Refunding Bonds***

The Taxable Refunding Bonds maturing on and after July 15, 2032 are subject to redemption prior to their stated maturity dates at the option of the Borough, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Borough shall determine and within any such maturity by lot) on any date on or after July 15, 2031, at a redemption price equal to 100% of the principal amount of Taxable Refunding Bonds to be redeemed, plus accrued interest to the redemption date.

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

## **Book-Entry-Only System<sup>1</sup>**

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

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

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

Purchases of the Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of the Refunding Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic

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<sup>1</sup> Source: The Depository Trust Company.

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 Refunding 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 Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Refunding 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 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

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

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

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

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

#### **MARKET PROTECTION**

The Borough plans to issue its: (i) General Obligation Bonds, Series 2021, in an aggregate principal amount not-to-exceed \$6,200,000 ("Tax-Exempt GO Bonds"); and (ii) Taxable General Obligation Bonds, Series 2021, in an aggregate principal amount not-to-exceed \$2,206,000 ("Taxable GO Bonds"; together with the Tax-Exempt GO Bonds, the "GO Bonds"), to be dated on

or about August 26, 2021. Closing on the GO Bonds will be subject to the satisfaction of all conditions required pursuant to Local Bond Law. The GO Bonds shall be general obligations of the Borough and the full faith and credit of the Borough will be irrevocably pledged for the payment of the principal of and interest on the GO Bonds. The GO Bonds are payable, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all taxable real property located within the Borough without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally.

## **SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS**

### **Taxing Power**

The Refunding Bonds are legal, valid and binding general obligations of the Borough and the full faith, credit and taxing power of the Borough are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds.

The Refunding Bonds are payable as to principal and interest, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all taxable real property located within the Borough without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

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

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

### **Local Bond Law**

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

all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

**Debt Limits** - The authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Borough, including the issuance of the Refunding Bonds, will not exceed its three and one-half percent (3.5%) debt limit.

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

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

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

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

## **Local Fiscal Affairs Law**

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

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

An independent examination of the Borough's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2020 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities

## **Local Budget Law**

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

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

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

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

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised

and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Borough to levy ad valorem taxes upon all taxable real property within the Borough to pay debt service on the Refunding Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined and described under the heading "CERTAIN RISK FACTORS – Recent Healthcare Developments" below), the New Jersey Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. Such emergency



appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. The Borough has made no appropriations for Coronavirus related deficits or expenses.

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

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

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

seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

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

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

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

In response to the outbreak of the Coronavirus, on May 4, 2020, the Local Finance Board released Local Finance Notice 2020-11 specifically permitting alternative methodologies for calculating the reserve for uncollected taxes. In particular, instead of using the methodology described above for purpose of calculating the reserve for uncollected taxes, one of the following two alternatives may be used: (i) *N.J.S.A.* 40A:4-41(c) allows for use of the average of the prior three (3) years' tax collection rate to mitigate a short-term decrease in the tax collection rate; or (ii) *N.J.S.A.* 40A:4-41(d) allows for a municipality to reduce the prior year's certified tax levy by the amount of any tax levy adjustment resulting from a tax appeal judgement. Use of either alternative calculation requires submission to the Division of Local Government Services in the Department of Community Affairs of a resolution of the governing body and subsequent approval therefrom.

See "CERTAIN RISK FACTORS – Recent Healthcare Developments" below for additional information on temporary changes made to property tax laws and regulations in response to the Coronavirus.

### **Deferral of Current Expenses**

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

### **Budget Transfers**

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

### **Capital Budget**

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

### **Operation of Utility**

The Borough's sewer utility is supported by user fees and other revenues generated by the operation of the utility. A separate budget is established for the utility. The anticipated revenues and appropriations for the utility are set forth in such separate budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

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

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

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

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

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and

approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

### **Rights and Remedies of Owners of Bonds**

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal of or interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

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

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

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides

that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

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

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

## **TAXATION**

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

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 92.47%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Borough was effective for the year 2010.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Borough are periodically assigned to the Solicitor for "in rem foreclosures" in order to acquire title to these properties.

## **Tax Appeals**

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

## **INFORMATION REGARDING THE BOROUGH OF BARRINGTON**

### **General**

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

### **Financial**

Appendix "B" to this Official Statement contains audited financial statements of the Borough for the years ending December 31, 2020, 2019, 2018, 2017 and 2016. The audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Clerk of the Borough.

## **LITIGATION**

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

## TAX MATTERS

### Federal

#### Tax-Exempt Refunding Bonds

In the opinion of Parker McCay, P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough, assuming continuing compliance by the Borough with the tax covenants described below, under existing law, interest on the Tax-Exempt Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

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

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

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

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

and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Tax-Exempt Refunding Bonds.

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

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

### **Taxable Refunding Bonds**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Borough ("Bond Counsel"), interest on the Taxable Refunding Bonds is included in the gross income of the owners thereof for Federal tax purposes.

### **New Jersey**

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

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

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

**PROSPECTIVE PURCHASERS OF THE REFUNDING BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY**



**OF THE REFUNDING BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.**

### **CONTINUING DISCLOSURE**

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

While the Borough has filed its financial information and operating data in each of the past five (5) years, as required by the Rule, certain information, required in some, but not all, of the Borough's continuing disclosure agreements, was not included in the operating data for the years ended December 31, 2015, 2016, 2017, 2018, and 2019. The Borough appointed Phoenix Advisors, LLC in May of 2015 to serve as continuing disclosure agent.

### **APPROVAL OF LEGAL PROCEEDINGS**

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

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

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

### **NO DEFAULT**

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

## **MUNICIPAL ADVISOR**

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

## **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The accuracy of the arithmetic computations supporting the conclusion that the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Refunding Bonds, are sufficient to pay the redemption price of and interest on the Refunded Bonds.

## **CERTAIN RISK FACTORS**

### **Recent Healthcare Developments**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President") and a state of emergency by the Governor of the State ("Governor").

In response, the President declared a national emergency on March 13, 2020. Additionally, on March 9, 2020, the Governor issued Executive Order 103, pursuant which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak. Other Executive Orders (some of which have since been modified or rescinded), limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. Quarantine and other "social distancing" measures undertaken by government agencies, businesses, schools and other entities in response to the COVID-19 outbreak altered behavior and have affected commerce in a manner that has negatively affected global, national and local economies.

Notwithstanding the disruptions that have resulted from COVID-19, the State and the Borough have recently seen a dramatic reduction in reported cases of COVID-19, and a corresponding reduction in hospitalization rates and fatalities. As a result, on June 4, 2021, the Governor signed legislation formally ending the Public Health Emergency declaration, while retaining certain limited Executive Orders related to public health and safety until January 1, 2022. The previous declaration of the State of Emergency, however, remains in effect as of the date hereof.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by President Biden on March 12, 2021 and provides \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Borough is expected to receive approximately \$695,208 in funding ("Plan Funds"), all of which must be expended by December 31, 2024. Such funds are expected to be received in two (2) equal payments; one (1) to be received within 60 days of enactment of the Plan, and the balance to be received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the Borough that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Borough prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Borough cannot predict, and does not predict, the duration, severity or ultimate impact of COVID-19 upon global, State-wide and local economies and operations, including that of the Borough.

Moreover, the Borough has provided and intends to continue to provide essential services in and for the Borough including, but limited to, emergency services, core health and human services, and public works, together with certain other vital services the Borough deems necessary to remain operational and responsive to public needs.

## **Cyber Security**

The Borough relies on a complex technology environment to conduct its various operations. As a result, the Borough faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Borough has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Borough maintains certain insurance coverage for cyberattacks and related events.

## **RATING**

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), has assigned its municipal bond rating of "AA-" to the Refunding Bonds based on the creditworthiness of the Borough.

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

## **UNDERWRITING**

The Tax-Exempt Refunding Bonds are being purchased from the Borough by Robert W. Baird & Co. Incorporated ("Underwriter"), pursuant to a bond purchase contract dated July \_\_, 2021 ("Tax-Exempt Purchase Contract"), at a purchase price of \$ \_\_\_\_\_ ("Tax-Exempt Purchase Price"). The Tax-Exempt Purchase Price of the Tax-Exempt Refunding Bonds reflects the par amount of the Tax-Exempt Refunding Bonds, less an Underwriter's discount of \$ \_\_\_\_\_, [plus/less] [net] original issue premium of \$ \_\_\_\_\_. The Underwriter is obligated to purchase all of the Tax-Exempt Refunding Bonds if any of the Tax-Exempt Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of and pay for the Tax-Exempt Refunding Bonds is subject to various conditions contained in the Tax-Exempt Purchase Contract.

The Taxable Refunding Bonds are being purchased from the Underwriter, pursuant to a bond purchase contract dated July \_\_, 2021 ("Taxable Purchase Contract"), at a purchase price of \$ \_\_\_\_\_ ("Taxable Purchase Price"). The Taxable Purchase Price of the Taxable Refunding Bonds reflects the par amount of the Taxable Refunding Bonds, less an Underwriter's discount of \$ \_\_\_\_\_. The Underwriter is obligated to purchase all of the Taxable Refunding Bonds if any of the Taxable Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of and pay for the Taxable Refunding Bonds is subject to various conditions contained in the Taxable Purchase Contract.

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

## **LEGALITY FOR INVESTMENT**

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

## **PREPARATION OF OFFICIAL STATEMENT**

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Refunding Bonds, by certificates signed by various Borough officials.

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

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

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

Bowman & Company LLP, Voorhees, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement may be directed to Denise K. Moules, Chief Financial Officer, Borough of Barrington at (856) 547-0706.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Refunding Bonds.

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

**BOROUGH OF BARRINGTON, NEW JERSEY**

**By:** \_\_\_\_\_  
**DENISE K. MOULES,**  
**Chief Financial Officer**

**Dated: July \_\_, 2021**

## **APPENDIX A**

### **CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE BOROUGH OF BARRINGTON**

## **GENERAL INFORMATION ON THE BOROUGH**

### **History**

The Borough of Barrington, County of Camden, New Jersey ("Borough"), is located approximately seven miles southwest of the City of Philadelphia. The Borough was incorporated in 1917 and encompasses 1.7 square miles.

The New Jersey Turnpike passes through the south end of the Borough with access via an interchange located about one and one quarter miles from the Borough. Interstate 295 also passes through the Borough with an interchange at the White Horse Pike (New Jersey State Highway, "Route 30"). Route 30 is the third major roadway in the Borough and is a major link between Philadelphia and Atlantic City.

The Borough is primarily a residential community, with approximately 2,200 single-family homes. There are six garden apartment developments in the Borough containing a total of 753 units. There is also a senior citizen complex which has 284 one- and two-bedroom rental apartments for adults ages 55 and older. Almost all homes are owner occupied. The apartments have maintained a high rate of occupancy.

There are six churches located in the Borough.

### **Fire Protection and Emergency Services**

Fire protection is provided by a volunteer fire department. Fire equipment is owned and maintained by the Borough. Present fire apparatus includes a Grumman Aerial 1,000 GPM pump and 109-foot ladder tower and various other pieces of emergency equipment.

Ambulance service is provided by full-time and part-time employees through the Barrington Ambulance Association. The Barrington Ambulance Association operates two (2) ambulances, one owned by the Association and one owned by the Borough. Ambulances are dispatched through the Camden County Communications system. Barrington Ambulance Association also provides emergency services to the Borough of Haddon Heights through a Shared Services Agreement and to other surrounding towns through mutual aid.

### **Police**

The Borough has a paid, full-time police department which consists of a Police Chief, Deputy Chief, and 13 officers. A modern communications system operated by Camden County communications is manned by dispatchers on a 24-hour basis.

### **Public Works**

The Department of Public Works is headed by a Superintendent and is responsible for road repairs and maintenance, operation of the sewer system and maintenance of public buildings and grounds.

There is continuous street improvement and maintenance, part of which is performed by the Public Works Department. Independent contractors are also used for major projects under the Capital Improvement Program.

### **Recreation**

Sports and recreational facilities within the Borough include six softball/baseball fields, basketball courts, soccer fields and two playgrounds.

The Borough recently constructed an all-inclusive playground utilizing Community Development Block Grant and Camden County Open Space Grant funds.



In 1990, an addition to the municipal building was constructed, financed with Community Development Block Grant funds, which is utilized as a Senior Citizen Recreational Center. A part-time director administers various programs for the senior citizens throughout the year.

In 2005, the Borough constructed a Community Center on the second floor of the Municipal Building, funded in part by Community Development Block Grant Funds.

In 2011, the Borough assumed ownership of the former VFW post located on Shreve Avenue. The building was rehabilitated utilizing Community Development Block Grant funds and is utilized as a senior and community center. The building is also available for rentals by private parties and generates enough revenue to cover facility operating costs.

## **Water**

New Jersey American Water Company provides water to the Borough.

## **Sewer Utility**

The Borough owns and operates its own Sewer Utility and is responsible for the maintenance and operation of the pumping stations and sewer lines. Nearly all Borough residents are connected. Annual sewer rates are currently \$232 for single-family dwellings. In March of 1991, the Borough went on-line with the Camden County Municipal Utilities Authority ("CCMUA"), which is responsible for the conveyance of sewage to the CCMUA and its treatment. The CCMUA is an autonomous body and has established an annual rate for each user of \$352.

## **Borough Employees**

	-----December 31-----				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Permanent Full-time	37	38	36	37	37
Part-time**	<u>77</u>	<u>91</u>	<u>69</u>	<u>68</u>	<u>62</u>
Total	<u>114</u>	<u>129</u>	<u>105</u>	<u>105</u>	<u>99</u>

\*\*Part-time employees include elected and appointed officials, crossing guards and seasonal temporary employees.

## **Employee Collective Bargaining Units**

The Borough currently recognizes two employee collective bargaining units. Members of one collective bargaining unit, PBA Local 328, includes all full-time police below the rank of Deputy Chief. The present contract expires December 31, 2023. Additionally, the American Federation of State, County and Municipal Employees ("AFSCME") represent 15 clerical and blue-collar employees with the exception of the Superintendent and Foreman of Public Works. The current AFSCME contract expires December 31, 2022.

## **Compensated Absences**

In certain instances, as set forth by the collective bargaining agreement and/or approval of the governing body, compensatory time may be accumulated from year to year for police officers and shall be paid at 1.5 times the rate it was earned. A maximum of five sick days may be sold back at the end of each year for non-police personnel. (For additional information regarding compensated absences, see Appendix B: Audited Financial Statements, Note 11).

## Pension Plans

Those Borough employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. (For additional information regarding pension plans, see Appendix B: Audited Financial Statements, Note 8).

## Borough Population (1)

2010 Federal Censes	6,983
2000 Federal Census	7,084
1990 Federal Census	6,774
1980 Federal Census	7,418
1970 Federal Census	8,409

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

Median household income	\$78,773
Per capita income	\$40,160

## Labor Force(2)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Borough</b>					
Labor Force	3,559	3,540	3,519	3,566	3,559
Employment	3,232	3,433	3,381	3,426	3,408
Unemployment	327	107	138	140	151
Unemployment Rate	9.2%	3.0%	3.9%	3.9%	4.2%
<b>County</b>					
Labor Force	256,048	254,506	250,869	253,650	252,929
Employment	230,287	244,570	239,663	241,028	239,104
Unemployment	22,761	9,936	11,206	12,622	13,825
Unemployment Rate	10.1%	3.9%	4.5%	5.0%	5.5%
<b>State</b>					
Labor Force	4,495,200	4,522,200	4,455,500	4,476,100	4,492,800
Employment	4,055,300	4,367,300	4,278,300	4,274,100	4,271,200
Unemployment	439,900	154,900	177,200	202,000	221,600
Unemployment Rate	9.8%	3.4%	4.0%	4.5%	4.9%

## Economic Development and Business and Industry

Economic development in the Borough is administered by the Economic Development Committee ("Committee") appointed by Mayor and Council. The Committee is headed by the Councilperson/Director and works closely with various offices, Borough officials and local businesses. Its mission is to retain and attract businesses and to promote and support local businesses in every way possible for the community and to help maintain a stable tax base.

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

(2) Source: New Jersey Department of Labor.

Examples of the Committee's projects include: the development of off-street parking; redevelopment of targeted commercial and industrial properties; streetscape improvements projects to the Clements Bridge Road commercial district; the creation of redevelopment zones; and general business assistance. From 2001-2005, the Borough was awarded a total of \$1,450,000 in federal TEA-21 grant funds for the Clements Bridge Road Streetscape Project. In 2014, the Borough was awarded additional funding totaling \$539,000 to complete the Clements Bridge Streetscape Project.

The Committee was instrumental in the redevelopment of the former Owens Corning Fiberglass Plant into what is now the Barrington Business Center, a warehouse and distribution center with approximately one million square feet of space.

The Committee's work is guided by a strategic plan which was initially adopted for economic development in 1999. In 2001, the Borough received an economic development award from the Camden County Board of Freeholders and the Camden County Improvement Authority. Economic development has continued in Barrington for the past two decades and is still ongoing.

Beginning in 2000, the Borough began acquiring contiguous blighted commercial properties on the White Horse Pike through a combination of tax foreclosures and eminent domain, with the intent to have the properties redeveloped and be returned to the tax rolls as a thriving business corridor. The Borough adopted the Redevelopment Plan for the properties in 2001. Incorporated into the project was the construction of a traffic signal on White Horse Pike which required numerous State of New Jersey Department of Transportation approvals. After what was a long and arduous bureaucratic process, final approvals were received in December of 2013. In 2012, the Borough entered into a Redevelopment Agreement with Delco Development, LLC, of Willingboro, New Jersey, to redevelop the properties. Delco has a long-term lease with Wawa Corporation and the Super Wawa store opened in 2015 and is a very successful store for the chain. The second phase of the project included a large chain-type restaurant and Wild Wing Restaurant opened in 2017. In 2020, Chuck Lager America's Tavern took over the restaurant which was the newest restaurant concept from celebrity chef Fabio Viviani who is quickly building a restaurant empire across several brands. The redevelopment of the White Horse Pike corridor has generated much interest and a brand-new Chick-Fil-A restaurant opened in June 2021 followed by a Starbucks which is expected to open in 2022. In addition to the redevelopment on the Pike, Tonewood Brewery bought the former lumberyard located at the intersection of Clements Bridge Road and Atlantic Avenue and is building one of the largest breweries in South Jersey. Tonewood is expected to open in July of this year.

#### **TEN LARGEST EMPLOYERS (1)**

<b><u>Name of Employer</u></b>	<b><u>Nature of Business</u></b>	<b><u>Number of Employees</u></b>
Edmund Industrial Optics	Industrial optics	258
International Paper	Shipping containers	185
Barrington Board of Education	Public schools	104
Borough of Barrington	Local government	70
Wawa Store #8340	Retail, Food, Gasoline	70
Central Pro Services	Property maintenance & renovation services	58
Royal Fitness	Health and fitness center	47
Red Lion Insulation	Insulation contractor	45
Recycling Management Resources	Full-service recycling facility	39
Chuck Lager America's Tavern	Tavern/Restaurant	28

(1) Source: Individual employers.

## Building, Zoning and Development Codes

The Borough has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building and the applicable zoning. The Borough's building codes conform to standards of the Uniform Construction Code of the State of New Jersey. (These codes and other municipal ordinances have been codified to facilitate improved administration and regulation).

In January 1977, the Borough adopted the Municipal Land Use Law. The Municipal Land Use Law gave the Borough Planning/Zoning Board the authority to regulate most land use other than single-family residential use. In this way, the Borough is able to guide the appropriate use or development of land to promote the public health, safety, morals and general welfare.

### Building Permits(1)

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2021(2)	130	\$1,806,019
2020	306	6,781,947
2019	345	3,203,831
2018	341	3,288,132
2017	558	3,190,436
2016	518	4,293,365

### GENERAL INFORMATION ON THE SCHOOL DISTRICT(3)

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

The School District prepares annually an operating and maintenance, capital outlay and debt service budget. The amounts to be raised by taxation for operating and maintenance expenses and capital outlay projects are submitted to the Camden County office of Education.

The school system provides education programs for students from kindergarten to the eighth grade level. All ninth through twelfth grade students attend the Haddon Heights High School. The School District pays tuition to the Haddon Heights Board of Education for the high school students.

### BOROUGH OF BARRINGTON SCHOOL DISTRICT SCHOOL ENROLLMENTS

<u>Grade</u>	<u>As of October 15</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
K	50	65	55	62	75
1	52	54	56	66	63
2	56	59	63	60	61
3	62	60	51	53	46
4	53	54	48	50	58
5	55	47	52	57	73
6	46	54	58	71	59
7	55	55	71	57	60
8	57	69	54	63	36
Spec. Ed.	<u>90</u>	<u>80</u>	<u>82</u>	<u>89</u>	<u>76</u>
Total	<u>576</u>	<u>597</u>	<u>590</u>	<u>628</u>	<u>607</u>

(1) Source: Borough Construction Official.

(2) As of May 21, 2021

(3) Source: School District officials.

## PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY

<u>Name of School</u>	<u>Date Constructed</u>	<u>Date of Renovation</u>	<u>Grades</u>	<u>Enrollment 10/15/20</u>	<u>Functional Capacity</u>
Avon	1954	1957, 2006	K-4	304	380
Woodland	1958	1960, 1961, & 2006	5-8	<u>247</u>	<u>353</u>
Total				<u>551</u> (2)	<u>733</u>

### HADDON HEIGHTS HIGH SCHOOL(1)

<u>Grade</u>	<u>2020</u>	<u>2019</u>	<u>As of October 15, 2018</u>	<u>2017</u>	<u>2016</u>
9	61	55	57	33	44
10	58	53	33	50	46
11	53	34	53	48	50
12	37	53	46	45	54
Spec. Ed.	<u>38</u>	<u>35</u>	<u>27</u>	<u>31</u>	<u>25</u>
Total	<u>247</u>	<u>230</u>	<u>216</u>	<u>207</u>	<u>219</u>

## HIGHER EDUCATION FACILITIES

### Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), is a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. In the fall 2019, there were approximately 5,501 undergraduate students and 1,728 graduate students.

### Camden County College

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

As of the Spring of 2020, full time enrollment was 8,000 and part-time enrollment was 3,908 for a total of 11,908.

(1) Source: School District officials, Barrington students only.

(2) Does not includes preschool students

## Camden County Technical Schools

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

For high school students, there are 32 career programs from which to choose. For the 2018-2019 school year, 1,331 students are enrolled at the Gloucester Township Campus, and 772 at the Pennsauken Campus, including 270 Special Education Students between the two campuses. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

In addition to the facilities mentioned above, Stockton University, University of Pennsylvania, Temple University, LaSalle University, Villanova University, St. Joseph's University, Drexel University and Rowan University are all within a commuting distance from the Borough.

### CERTAIN TAX INFORMATION

#### TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2021 Valuation</u>
Barrington TIC Investors LLC	Warehousing	\$ 21,599,300
AION Willows, LLC	Apartment Complex	17,350,000
Haddonfield Holdings 2015, LLC	Apartment Complex	16,600,000
International Paper	Paper Manufacturing	5,726,100
101 Gloucester Pike Assoc.	Industrial Optics	3,709,700
120 E Barrington LLC (RMR)	Recycling Facility	3,116,100
Daniel G. Kamin (Rite Aid)	Pharmacy/Retail	2,792,900
Barrington Commons c/o RJS Prop	Office Complex	1,884,100
Sieck Brothers/Royal Courts	Health and Fitness Center	1,718,800
JVS 1100 Barrington LLC	Apartment Complex	1,450,000

#### CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding December 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2020	\$ 21,844,596	\$ 21,507,789	98.46%	\$ 309,948	1.42%
2019	21,743,630	21,319,757	98.05%	392,791	1.81%
2018	21,322,539	20,940,211	98.21%	377,839	1.77%
2017	20,798,737	20,291,700	97.56%	470,112	2.26%
2016	20,361,053	19,918,164	97.82%	361,541	1.78%

(1) Source: Borough Tax Assessor.

(2) Source: Annual Reports of Audit

### DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding January 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding December 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2020	\$ 392,791	\$ 750	\$ 393,291	99.94%			\$ 250
2019	438,615	1,250	439,865	100.00%			
2018	507,789	1,250	448,263	88.06%			60,776
2017	371,396	1,000	334,719	89.88%			37,677
2016	370,588	5,035	351,761	93.65%	\$ 11,032	\$ 2,975	9,855

### TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance January 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Cancellations / Foreclosures</u>	<u>Balance December 31</u>
2020	\$ 60,889	\$ 1,514		\$ 111	\$ 62,292
2019	63,417	1,686	4,214		60,889
2018	61,703	1,714			63,417
2017	60,032	1,671			61,703
2016	56,296	28,043	24,307		60,032

### FORECLOSED PROPERTY (1) (2)

<u>Year</u>	<u>Balance January 1</u>	<u>Adjustments</u>	<u>Balance December 31</u>
2020	\$ 179,000		\$ 179,000
2019	179,000		179,000
2018	179,000		179,000
2017	179,000		179,000
2016	244,000	\$ 65,000	179,000

### CURRENT SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Other Credits</u>	<u>Outstanding December 31</u>	
			<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>
2020	\$ 54,674	\$ 754,383	\$ 752,760	93.04%		\$ 56,297	7.46%
2019	60,976	756,649	762,835	93.30%	\$ 116	54,674	7.23%
2018	62,519	753,406	754,949	92.53%		60,976	7.19%
2017	54,069	751,642	743,192	92.24%		62,519	8.58%
2016	64,671	751,825	762,427	93.38%		54,069	8.16%

(1) Source: Annual Reports of Audit

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

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>			
		<u>Total Rate</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>
2021	\$ 495,424,931	---	---	---	---
2020	495,433,885	\$ 4.400	\$ 1.274	\$ 0.893	\$ 2.233
2019	495,682,828	4.381	1.244	0.947	2.190
2018	495,904,537	4.296	1.199	0.955	2.142
2017 *	494,848,520	4.189	1.172	0.916	2.101
2016	541,849,006	3.751	1.045	0.828	1.878

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2021	\$ 494,514,300	92.47%	\$ 534,783,497	\$ 76,584
2020	494,512,810	96.17%	514,206,936	73,637
2019	494,807,310	92.58%	534,464,582	76,538
2018	495,057,010	94.61%	523,260,765	74,934
2017	493,977,410	98.19%	503,083,216	72,044

**REAL PROPERTY CLASSIFICATION (5)**

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2021	\$ 494,514,300	\$ 2,848,400	\$ 389,580,700	\$ 30,838,300	\$ 33,276,600	\$ 37,970,300
2020	494,512,810	3,014,700	387,928,300	31,102,910	33,276,600	39,190,300
2019	494,807,310	3,223,900	387,828,000	31,288,510	33,276,600	39,190,300
2018	495,057,010	3,239,100	387,931,500	31,419,510	33,276,600	39,190,300
2017	493,977,410	2,798,500	387,324,500	31,387,510	33,276,600	39,190,300

(1) Source: Annual Reports of Audit.

(2) Per \$100 of assessed valuation.

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

(4) Based on 2010 Federal Census of 6,983.

(5) Source: Borough's Tax Assessor.

\* Reassessment



**BOROUGH OF BARRINGTON  
STATEMENT OF INDEBTEDNESS  
AS OF DECEMBER 31, 2020**

The following table summarizes the direct debt of the Borough of Barrington as of December 31, 2020 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et. seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include school debt, reserve to pay debt, as well as, debt considered to be self-liquidating. The resulting net debt of \$11,922,981 represent 2.258% of the average of equalized valuations for the Borough for the last three years, which is within the 3.5 % limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Deductions				
	<u>Bonds</u>	<u>Loans</u>	<u>Notes</u>	<u>Authorized But Not Issued</u>	<u>Gross Debt</u>	<u>School Debt</u>	<u>Reserve to Pay Debt</u>	<u>Self-Liquidating Debt</u>	<u>Net Debt</u>
General	\$ 6,595,000		\$ 5,236,930	\$ 132,992	\$ 11,964,922		\$ 41,941		\$ 11,922,981
School - Local	3,420,000				3,420,000	\$ 3,420,000			
Sewer Utility	110,000	\$ 2,133,338	400,000		2,643,338			\$ 2,643,338	
	<u>\$ 10,125,000</u>	<u>\$ 2,133,338</u>	<u>\$ 5,636,930</u>	<u>\$ 132,992</u>	<u>\$ 18,028,260</u>	<u>\$ 3,420,000</u>	<u>\$ 41,941</u>	<u>\$ 2,643,338</u>	<u>\$ 11,922,981</u>

Source: Borough Revised Annual Debt Statement  
As of: December 31, 2020

### DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020	\$	528,009,782
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2018, 2019 and 2020		2.26%
2021 Net Valuation Taxable	\$	495,424,931
2021 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		535,694,128
Gross Debt (3):		
As a percentage of 2021 Net Valuation Taxable		3.64%
As a percentage of 2021 Equalized Valuations		3.37%
Net Debt (3):		
As a percentage of 2021 Net Valuation Taxable		2.41%
As a percentage of 2021 Equalized Valuations		2.23%
Gross Debt Per Capita (4)	\$	2,582
Net Debt Per Capita (4)		1,707

### BOROUGH BORROWING CAPACITY (1)(2)

3.5% of Averaged (2018-20) Equalized Valuation of Real Property including Improvements	\$	18,480,342
Net Debt		11,922,981
Remaining Borrowing Capacity	\$	<u>6,557,362</u>

### LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1)(2)

3.0% of Averaged (2018-20) Equalized Valuation of Real Property including Improvements	\$	15,840,293
Local School Debt		<u>3,420,000</u>
Remaining Borrowing Capacity	\$	<u>12,420,293</u>

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(1) As of December 31, 2020

(2) Source: Borough Annual Debt Statement

(3) Excluding overlapping debt

(4) Based on 2010 Federal Census of 6,983

**BOROUGH OF BARRINGTON  
OVERLAPPING DEBT AS OF DECEMBER 31, 2020**

	<b>DEBT ISSUED</b>					<b>Debt Auth. but not Issued</b>
	<b><u>Debt Outstanding</u></b>	<b><u>Deductions</u></b>	<b><u>Statutory Net Debt Outstanding</u></b>	<b><u>Net Debt Outstanding Allocated to the Issuer</u></b>		
County of Camden (1):						
General:						
Bonds	\$ 36,380,000	\$ 19,103,198 (2)	\$ 17,276,802	\$ 226,326 (4)		\$ 91,546,694
Notes	25,461,125		25,461,125	333,541 (4)		
Loan Agreements	351,009,923		351,009,923	4,598,230 (4)		
Bonds Issued by Other Public Bodies Guaranteed by the County	248,987,704	248,987,704 (3)				
	<b>\$ 661,838,752</b>	<b>\$ 268,090,902</b>	<b>\$ 393,747,849</b>	<b>\$ 5,158,097</b>		<b>\$ 91,546,694</b>

(1) Source: County of Camden

(2) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Refunding Bonds.

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2020 Net Valuation on which County Taxes are apportioned, which is 1.31%.

## Camden County Municipal Utilities Authority

The Camden County Municipal Utilities Authority ("CCMUA") is a public body corporate and politic of the State and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County adopted on December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the Camden County Municipal Utilities Authority pursuant to a resolution of the County adopted on April 13, 1972. The CCMUA operates under the supervision of nine commissioners who are appointed by the Board for five-year staggered terms. The County has entered into a deficiency agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for: (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000, and (iii) the maintenance of reserves required under the bond resolution securing the CCMUA's bonds and notes. The obligation of the County pursuant to the provisions of the Deficiency Agreement is a direct and general obligation of the County, and any annual charges are ultimately payable by the County from the levy of *ad valorem* taxes on all the taxable real property within the jurisdiction of the County in amounts sufficient to enable the County to meet its obligations under the Deficiency Agreement. ***To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement.*** The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligations of the County thereunder.

The CCMUA owns and operates a sewage collection and treatment system which serves all County residents connected to local sewer collection systems. The CCMUA's system does not include the local sewage collection system of any CCMUA participant, but it owns and operates interceptor sewer lines connecting the local systems to the CCMUA's sewage treatment facilities.

The CCMUA is required to charge and collect service charges for the use of its facilities such that revenues of the CCMUA will at all times be adequate to pay all operating and maintenance expenses, including reserves, insurance, extensions and replacements, and to pay punctually the principal of and interest on any bonds and notes of the CCMUA and to maintain reserves and sinking funds therefor as may be required by the terms of any agreements with the holders thereof.

The gross debt as of December 31, 2020 for the CCMUA was \$229,111,976. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

## Camden County Improvement Authority

The Camden County Improvement Authority ("CCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board. The CCIA operates under the supervision of a five (5) member Board who are appointed for five (5) year staggered terms by the County Board. The CCIA has from time to time issued its revenue bonds for projects involving the County and for which the County has a repayment obligation or guaranty. The CCIA also issues conduit debt from time to time which is not included in the overlapping debt as there is no obligation by the taxpayers to repay the associated debt service.

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2019 was \$418,801,253.03.

**BOROUGH OF BARRINGTON  
SCHEDULE OF DEBT SERVICE  
LONG TERM DEBT ONLY (1)**

Year	General			Sewer Utility			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2021	\$ 720,000	\$ 260,050	\$ 980,050	\$ 127,191	\$ 34,637	\$ 161,828	\$ 1,141,878
2022	820,000	238,000	1,058,000	136,736	31,795	168,531	1,226,531
2023	910,000	212,300	1,122,300	144,318	28,609	172,927	1,295,227
2024	610,000	179,650	789,650	39,014	25,078	64,092	853,742
2025	610,000	155,250	765,250	39,552	24,540	64,092	829,342
2026	615,000	130,850	745,850	40,098	23,994	64,092	809,942
2027	160,000	106,250	266,250	40,651	23,441	64,092	330,342
2028	180,000	99,850	279,850	41,212	22,880	64,092	343,942
2029	180,000	92,650	272,650	41,781	22,311	64,092	336,742
2030	180,000	85,450	265,450	42,357	21,735	64,092	329,542
2031	180,000	77,800	257,800	42,941	21,151	64,092	321,892
2032	180,000	70,150	250,150	43,534	20,558	64,092	314,242
2033	180,000	62,500	242,500	44,135	19,957	64,092	306,592
2034	180,000	53,500	233,500	44,744	19,349	64,093	297,593
2035	180,000	44,500	224,500	45,361	18,731	64,092	288,592
2036	180,000	35,500	215,500	45,987	18,105	64,092	279,592
2037	180,000	26,500	206,500	46,621	17,471	64,092	270,592
2038	180,000	17,500	197,500	47,264	16,828	64,092	261,592
2039	170,000	8,500	178,500	47,917	16,175	64,092	242,592
2040				48,578	15,514	64,092	64,092
2041				49,248	14,844	64,092	64,092
2042				49,927	14,165	64,092	64,092
2043				50,616	13,476	64,092	64,092
2044				51,315	12,777	64,092	64,092
2045				52,023	12,069	64,092	64,092
2046				52,740	11,352	64,092	64,092
2047				53,468	10,624	64,092	64,092
2048				54,206	9,886	64,092	64,092
2049				54,954	9,138	64,092	64,092
2050				55,712	8,380	64,092	64,092
2051				56,481	7,611	64,092	64,092
2052				57,260	6,832	64,092	64,092
2053				58,050	6,042	64,092	64,092
2054				58,851	5,241	64,092	64,092
2055				59,663	4,429	64,092	64,092
2056				60,486	3,606	64,092	64,092
2057				61,320	2,772	64,092	64,092
2058				62,167	1,925	64,092	64,092
2059				63,024	1,068	64,092	64,092
2060				31,837	209	32,046	32,046
	<u>\$ 6,595,000</u>	<u>\$ 1,956,750</u>	<u>\$ 8,551,750</u>	<u>\$ 2,243,338</u>	<u>\$ 599,307</u>	<u>\$ 2,842,645</u>	<u>\$11,394,395</u>

(1) As of December 31, 2020

Source: Borough Audit Report and Annual Financial Statement

**BOROUGH OF BARRINGTON  
2021 MUNICIPAL BUDGET**

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**CURRENT FUND**

Anticipated Revenues:	
Fund Balance	\$ 917,175.14
Miscellaneous Revenues:	
Local Revenues	366,240.00
State Aid Without Offsetting Appropriations	700,680.00
Director of Local Government Services - Shared Service Agreements	5,000.00
Director of Local Government Services - Public and Private Revenues	112,722.76
Director of Local Government Services - Other Special Items	25,000.00
Receipts From Delinquent Taxes	300,000.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>6,311,700.00</u>
 Total Anticipated Revenues	 <u><u>\$ 8,738,517.90</u></u>
Appropriations:	
Within CAPS:	
Operations	\$ 6,030,964.28
Deferred Charges and Statutory Expenditures	808,043.50
Excluded from CAPS:	
Other Operations	10,400.00
Shared Service Agreements	5,000.00
Public and Private Programs	112,722.76
Capital Improvements	60,000.00
Municipal Debt Service	1,171,423.90
Deferred Charges	5,000.00
Reserve for Uncollected Taxes	<u>534,963.46</u>
 Total Appropriations	 <u><u>\$ 8,738,517.90</u></u>

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**SEWER UTILITY FUND**

Anticipated Revenues:	
Operating Fund Balance	\$ 70,000.00
Rents	750,000.00
Miscellaneous	<u>10,000.00</u>
 Total Anticipated Revenues	 <u><u>\$ 830,000.00</u></u>
Appropriations:	
Operating	\$ 617,653.28
Debt Service	161,171.55
Statutory Expenditures	<u>51,175.17</u>
 Total Appropriations	 <u><u>\$ 830,000.00</u></u>

**BOROUGH OF BARRINGTON  
CAPITAL PROGRAM  
PROJECTS SCHEDULED FOR THE YEARS 2021 - 2023**

			<b>Bonds and Notes</b>
	<b><u>Estimated Total Cost</u></b>	<b><u>Capital Improvement Fund</u></b>	<b><u>General</u></b>
Road Programs	\$ 903,000.00	\$ 45,150.00	\$ 857,850.00
Building Improvements	777,000.00	38,850.00	738,150.00
Acquisition of Fire Equipment	752,650.00	37,632.50	715,017.50
Acquisition of Police Equipment	85,000.00	4,250.00	80,750.00
Acquisition of Public Works Equipment	378,700.00	18,935.00	359,765.00
Total - All Projects	<u>\$ 2,896,350.00</u>	<u>\$ 144,817.50</u>	<u>\$ 2,751,532.50</u>

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
OF THE BOROUGH OF BARRINGTON**



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of Barrington  
Barrington, New Jersey 08007

### **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 Borough of Barrington, in the County of Camden, State of New Jersey, as of December 31, 2020, 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 Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Borough 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.

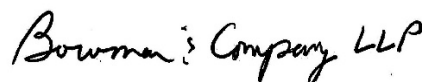
### ***Adverse Opinion on Accounting Principles Generally Accepted in the United States of America***

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 Borough of Barrington, in the County of Camden, State of New Jersey, as of December 31, 2020, 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 Borough of Barrington, in the County of Camden, State of New Jersey, as of December 31, 2020, 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,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert S. Marrone  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 22, 2021

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

	As of December 31,				
<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Regular Fund:					
Cash	\$ 4,674,444	\$ 4,101,551	\$ 3,299,203	\$ 3,408,455	\$ 2,008,545
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	310,198	392,791	438,615	507,789	371,396
Tax Title Liens Receivable	62,292	60,889	63,417	61,703	60,032
Property Acquired for Taxes - Assessed Valuation	179,000	179,000	179,000	179,000	179,000
Revenue Accounts Receivable	4,594	7,314	8,116	6,765	8,232
Accounts Receivable - Other	23,724	16,096	16,385	8,496	22,188
Interfunds Receivable	105,066	61,238	108,926	173,709	48,925
Deferred Charges:					
Special Emergency Authorization	25,000	20,000	40,000	60,000	87,000
Total Regular Fund	5,384,318	4,838,879	4,153,663	4,405,917	2,785,318
Federal and State Grant Fund:					
Cash	149,079	52,587	81,969	129,086	
Interfunds Receivable	1,517				
Accounts Receivable					1,346
Federal and State Grants Receivable	424,665	561,471	118,735	365,724	153,580
Total Federal and State Grant Fund	575,261	614,058	200,704	494,810	154,926
	<u>\$ 5,959,579</u>	<u>\$ 5,452,937</u>	<u>\$ 4,354,367</u>	<u>\$ 4,900,727</u>	<u>\$ 2,940,244</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>					
Regular Fund:					
Liabilities:					
Reserve for Encumbrances	\$ 365,319	\$ 271,921	\$ 234,560	\$ 266,547	\$ 185,923
Appropriation Reserves	386,542	384,915	391,813	312,755	286,042
Prepaid Taxes	357,282	185,183	117,279	633,903	62,178
Due to State of New Jersey	4,302	5,002	5,527	3,452	7,023
Due County for Added/Omitted Taxes	9,242	6,002	4,070	15,204	8,117
Other Reserves	386,818	377,950	370,233	369,733	296,669
Accounts Payable	24,184	31,184	184	30,000	35,600
Interfunds Payable	18,456	17,992	420	420	13,470
Reserve for Receivables	684,874	717,328	814,460	937,462	689,773
Fund Balance	3,147,300	2,841,403	2,215,118	1,836,441	1,200,523
Total Regular Fund	5,384,318	4,838,879	4,153,663	4,405,917	2,785,318
Federal and State Grant Fund:					
Appropriated and Unappropriated Reserves	332,025	612,842	191,324	190,556	114,981
Contracts Payable	237,582		6,616	300,000	
Reserve for Encumbrances	5,653	1,216	2,765	4,254	5,131
Interfund Payable					34,814
Total Federal and State Grant Fund	575,261	614,058	200,704	494,810	154,926
	<u>\$ 5,959,579</u>	<u>\$ 5,452,937</u>	<u>\$ 4,354,367</u>	<u>\$ 4,900,727</u>	<u>\$ 2,940,244</u>

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

**BOROUGH OF BARRINGTON**  
**CURRENT FUND**  
**Statements of Operations and Changes in Fund Balance - Regulatory Basis**

	For the Year Ended December 31,				
<u>REVENUE REALIZED:</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Current Tax Collections	\$ 21,507,789	\$ 21,319,757	\$ 20,940,211	\$ 20,291,700	\$ 19,918,164
Delinquent Tax Collections	393,291	444,080	448,263	334,719	376,068
Total Taxes	21,901,080	21,763,837	21,388,474	20,626,419	20,294,232
Miscellaneous Revenues Anticipated	1,510,849	1,803,079	1,458,723	1,622,394	1,310,967
Non-Budget and Other Income	1,120,970	1,205,536	928,761	1,172,007	673,198
Interfunds Receivable - Liquidated		47,688		34,814	28,967
Other Accounts Receivable - Liquidated	2,671	5,723	686	14,495	38
Fund Balance Utilized	1,179,733	930,000	934,121	621,000	595,000
Total Income	25,715,303	25,755,863	24,710,765	24,091,129	22,902,402
<u>EXPENDITURES AND ENCUMBRANCES:</u>					
Operating	6,085,189	6,169,787	5,583,901	5,792,510	5,399,080
Capital Improvements	60,000	195,000	60,000	60,000	60,000
Debt Service	1,816,684	1,520,050	1,627,027	1,213,892	1,235,196
Deferred Charges and Statutory Expenditures	741,116	754,960	705,032	663,759	670,367
County Taxes	4,431,072	4,698,890	4,731,401	4,544,161	4,488,856
Local School Tax	11,065,588	10,852,570	10,624,812	10,398,488	10,173,691
Other Expenditures	750	1,250	1,250	1,000	1,750
Refund of Prior Year Revenue	148	1,637	3,521		
Interfunds Receivable - Created	43,828		52,448	159,598	48,925
Other Accounts Receivable - Created	10,298	5,434	8,574	803	8,392
Total Expenditures and Encumbrances	24,254,673	24,199,578	23,397,966	22,834,211	22,086,257
Excess in Revenues	1,460,630	1,556,285	1,312,799	1,256,918	816,145
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year	25,000				100,000
Statutory Excess to Fund Balance	1,485,630	1,556,285	1,312,799	1,256,918	916,145
Fund Balance, January 1	2,841,403	2,215,118	1,836,441	1,200,523	879,378
	4,327,033	3,771,403	3,149,240	2,457,441	1,795,523
Decreased by:					
Utilized as Revenue	1,179,733	930,000	934,121	621,000	595,000
Fund Balance December 31	\$ 3,147,300	\$ 2,841,403	\$ 2,215,118	\$ 1,836,441	\$ 1,200,523

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

**BOROUGH OF BARRINGTON**  
**TRUST FUNDS**  
Statements of Assets, Liabilities and Reserves - Regulatory Basis

	As of December 31,				
<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 1,036,204	\$ 849,749	\$ 664,726	\$ 776,253	\$ 567,427
Interfunds Receivable	40,846	38,663	38,621	43,621	62,091
Investments - Length of Service Award Program (LOSAP)	121,405	136,041	117,108	127,180	115,815
Other Accounts Receivable	20,688	6,060	27,656	7,890	61,395
	<u>\$ 1,219,142</u>	<u>\$ 1,030,513</u>	<u>\$ 848,111</u>	<u>\$ 954,944</u>	<u>\$ 806,728</u>
<u>LIABILITIES AND RESERVES</u>					
Interfund Loans Payable	\$ 116,022	\$ 61,238	\$ 108,624	\$ 61,479	\$ 10,000
Due to State of New Jersey	1				
Prepaid Licenses	703				
Reserve for Special Funds	1,087,337	940,636	708,970	868,304	781,219
Reserve for Encumbrances	4,036	19,218	22,812	21,270	11,278
Accounts Payable	11,043	9,421	7,706	3,891	4,231
	<u>\$ 1,219,142</u>	<u>\$ 1,030,513</u>	<u>\$ 848,111</u>	<u>\$ 954,944</u>	<u>\$ 806,728</u>

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

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

	As of December 31,				
<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 1,758,528	\$ 450,407	\$ 284,478	\$ 266,596	\$ 351,611
Accounts Receivable	155,824	155,824	75,000	360,808	948,368
Interfund Receivables	17,610	17,145			
Deferred Charges to Future Taxation:					
Funded	6,595,000	7,315,000	8,394,000	9,262,000	10,110,000
Unfunded	5,369,922	5,676,629	4,765,886	4,468,286	4,408,239
	<u>\$ 13,896,884</u>	<u>\$ 13,615,005</u>	<u>\$ 13,519,365</u>	<u>\$ 14,357,690</u>	<u>\$ 15,818,218</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>					
Serial Bonds	\$ 6,595,000	\$ 7,315,000	\$ 8,394,000	\$ 9,262,000	\$ 10,110,000
Bond Anticipation Notes	5,236,930	4,222,520	3,385,000	3,774,250	3,774,250
Contracts Payable	608,568	180,170	449,969	188,343	691,830
Improvement Authorizations:					
Funded	108,186	168,056	156,562	289,349	471,417
Unfunded	941,992	1,239,865	634,382	268,843	150,387
Capital Improvement Fund	193,927	153,427	152,397	128,547	78,547
Interfund Payables	38,621	183,046	183,349	351,901	248,782
Reserve for Encumbrances	47,735	1,996	29,731	9,659	33,297
Reserve for Payment of Bonds	41,941	66,941	130,816	81,639	106,639
Reserve for Other Accounts Receivable	80,824	80,824			149,910
Fund Balance	3,159	3,159	3,159	3,159	3,159
	<u>\$ 13,896,884</u>	<u>\$ 13,615,005</u>	<u>\$ 13,519,365</u>	<u>\$ 14,357,690</u>	<u>\$ 15,818,218</u>

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

**BOROUGH OF BARRINGTON**  
**SEWER UTILITY FUND**  
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Fund:					
Cash	\$ 157,465	\$ 151,774	\$ 217,462	\$ 154,376	\$ 134,297
Interfunds Receivable	58,198	48,740	48,346	48,316	48,822
Receivables with Full Reserves:					
Consumer Accounts Receivable	56,297	54,674	60,977	62,519	54,163
Total Operating Fund	271,960	255,188	326,785	265,211	237,282
Capital Fund:					
Cash	142,230	19,136	64,447	93,572	133,767
Interfunds Receivable		144,425	144,425	196,050	196,050
Other Receivables		2,044,000	2,044,000	2,044,000	2,044,000
Fixed Capital	5,222,521	3,178,521	3,178,521	3,178,521	3,135,183
Fixed Capital Authorized and Uncompleted	441,000	2,485,000	2,085,000	2,085,000	2,128,338
Total Capital Fund	5,805,751	7,871,082	7,516,392	7,597,143	7,637,338
	<u>\$ 6,077,711</u>	<u>\$ 8,126,270</u>	<u>\$ 7,843,177</u>	<u>\$ 7,862,354</u>	<u>\$ 7,874,620</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>					
Operating Fund:					
Appropriation Reserves	\$ 45,252	\$ 20,547	\$ 67,056	\$ 84,064	\$ 32,204
Reserve for Encumbrances	29,972	14,553	30,970	9,037	23,514
Accounts Payable					600
Sewer Rent Overpayments	827	2,373	2,655	3,040	1,461
Accrued Interest on Bonds and Notes	4,321	4,545	5,474	6,205	6,930
Interfunds Payable					
Reserve for Receivables	56,297	54,674	60,977	62,519	54,163
Fund Balance	135,292	158,496	159,653	100,346	118,410
Total Operating Fund	271,960	255,188	326,785	265,211	237,282
Capital Fund:					
Serial Bonds	110,000	135,000	155,000	175,000	195,000
New Jersey EIT Loan Payable	184,361	245,188	307,094	361,704	417,090
USDA Loan Payable	1,948,977				
Bond Anticipation Notes	400,000	1,940,000	1,966,000	1,992,000	2,018,000
Accrued Interest on Bonds and Notes		18,686	1,929	915	663
Interfunds Payable	47,953	47,935	47,926	47,896	48,822
Improvement Authorizations:					
Funded	23,389	21,543	27,728	40,875	44,719
Unfunded	5	430,514	85,655	192,086	228,689
Contracts Payable	37,032	37,032	37,032		
Capital Improvement Fund	7,850	7,850	7,850	7,850	7,850
Reserve for Amortization	3,044,134	2,939,783	2,831,877	2,731,267	2,628,955
Reserve for Deferred Amortization	2,050	3,550	3,550	3,550	3,550
Reserve for Receivables	-	2,044,000	2,044,000	2,044,000	2,044,000
Reserve for Encumbrances			750		
Total Capital Fund	5,805,751	7,871,082	7,516,392	7,597,143	7,637,338
	<u>\$ 6,077,711</u>	<u>\$ 8,126,270</u>	<u>\$ 7,843,177</u>	<u>\$ 7,862,354</u>	<u>\$ 7,874,620</u>

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

**BOROUGH OF BARRINGTON**  
**SEWER UTILITY FUND**  
Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis

	For the Year Ended December 31,				
<u>REVENUE REALIZED:</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Surplus Anticipated	\$ 70,000	\$ 70,000	\$ 60,000	\$ 60,000	\$ 63,065
Rents	752,760	762,835	754,949	743,192	762,427
Miscellaneous	12,123	11,943	9,203	12,553	21,635
Other Credit to Income	12,319	48,168	82,931	33,394	27,419
<b>Total Income</b>	<b>847,202</b>	<b>892,945</b>	<b>907,083</b>	<b>849,139</b>	<b>874,546</b>
<u>EXPENDITURES AND ENCUMBRANCES:</u>					
Operating	628,825	662,122	631,385	650,283	652,372
Debt Service	123,712	115,467	110,216	112,757	115,730
Deferred Charges and Statutory Expenditures	47,870	46,514	46,174	44,163	41,943
Creation of Reserve for Accounts Receivable					94
<b>Total Expenditures and Encumbrances</b>	<b>800,407</b>	<b>824,102</b>	<b>787,775</b>	<b>807,203</b>	<b>810,139</b>
Excess in Revenue	46,795	68,843	119,307	41,936	64,407
Balance January 1	158,496	159,653	100,346	118,410	117,068
	205,292	228,496	219,653	160,346	181,475
Decreased by:					
Utilized by Revenue in:					
Sewer Utility Operating Budget	70,000	70,000	60,000	60,000	63,065
	70,000	70,000	60,000	60,000	63,065
<b>Balance December 31</b>	<b>\$ 135,292</b>	<b>\$ 158,496</b>	<b>\$ 159,653</b>	<b>\$ 100,346</b>	<b>\$ 118,410</b>

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



**BOROUGH OF BARRINGTON**  
Notes to Financial Statements  
For the Year Ended December 31, 2020

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

**Description of Financial Reporting Entity** - The Borough of Barrington (hereafter referred to as the "Borough"), was incorporated as a borough on March 27, 1917 from portions of the now-defunct Centre Borough. The Borough, located in Camden County, New Jersey, has a total area of approximately one and a half square miles, and is located approximately seven miles southeast of the City of Philadelphia. The Borough borders the Boroughs of Bellmawr, Haddon Heights, Haddonfield, Lawnside, Magnolia, Runnemede, and Tavistock. According to the 2010 census, the population is 6,983.

The Borough is governed under the Borough form of government. The governing body consists of a Mayor and a Council comprising six members, with all positions elected at-large on a partisan basis as part of the November general election. The Mayor is elected directly by the voters to a four-year term of office. The council members are elected to serve three-year terms on a staggered basis, with two seats coming up for election each year. Legislative and executive power is vested in the Council.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough 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.

In accordance with the *Requirements*, the Borough 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.

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

**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.

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

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its current and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than 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 Borough'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. Investments recorded in the trust fund for the Borough's length of service award program, however, are stated at fair value.

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

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

The cash management plan adopted by the Borough 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.

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

**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 Borough 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 Borough 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 Borough'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.

**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 and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

**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 Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough 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 Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Borough of Barrington School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Barrington 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 Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each 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.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough 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.

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

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

As of December 31, 2020, the Borough's bank balances of \$7,993,083.71 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 7,335,480.58
Uninsured and Uncollateralized	<u>657,603.13</u>
Total	<u><u>\$ 7,993,083.71</u></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 current and previous four calendar years:

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>
Tax Rate	<u>\$ 4.400</u>	<u>\$ 4.381</u>	<u>\$ 4.296</u>	<u>\$ 4.189</u>	<u>\$ 3.751</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.274	\$ 1.244	\$ 1.199	\$ 1.172	\$ 1.045
County	0.893	0.947	0.955	0.916	0.828
Local School	2.233	2.190	2.142	2.101	1.878

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2020	\$ 495,433,885.00
2019	495,682,828.00
2018	495,904,537.00
2017*	494,848,520.00
2016	541,849,006.00

\*Reassessment

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$21,844,596.00	\$ 21,507,789.33	98.46%
2019	21,743,629.95	21,319,756.88	98.05%
2018	21,322,539.43	20,940,210.82	98.21%
2017	20,798,736.59	20,291,699.57	97.56%
2016	20,361,053.12	19,918,164.06	97.82%

**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>
2020	\$ 62,292.06	\$ 310,198.35	\$ 372,490.41	1.71%
2019	60,889.46	392,790.77	453,680.23	2.09%
2018	63,417.27	438,615.44	502,032.71	2.35%
2017	61,703.16	507,789.10	569,492.26	2.74%
2016	60,031.74	371,396.12	431,427.86	2.12%

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

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2020	6
2019	6
2018	7
2017	7
2016	7

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

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 179,000.00
2019	179,000.00
2018	179,000.00
2017	179,000.00
2016	179,000.00

**Note 5: SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>				<u>Cash</u>
	<u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Collections</u>
2020	\$ 54,674.22	-	\$ 754,382.95	\$ 809,057.17	\$ 752,760.07
2019	60,976.58	-	756,648.69	817,625.27	762,835.05
2018	62,519.41	-	753,406.10	815,925.51	754,948.93
2017	54,069.17	-	751,642.33	805,711.50	743,192.09
2016	64,671.53	-	751,824.58	816,496.11	762,426.94

**Note 6: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years 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>
2020	\$ 3,147,300.24	\$ 917,175.14	29.14%
2019	2,841,403.13	1,179,733.00	41.52%
2018	2,215,118.34	930,000.00	41.98%
2017	1,836,440.66	934,121.46	50.87%
2016	1,200,522.73	621,000.00	51.73%

**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$135,291.71	\$ 70,000.00	51.74%
2019	158,496.35	70,000.00	44.17%
2018	159,653.37	70,000.00	43.84%
2017	100,346.33	60,000.00	59.79%
2016	118,409.84	60,000.00	50.67%

**Note 7: 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, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 105,065.66	\$ 18,455.66
Federal and State Grant	1,516.92	
Trust - Animal Control	40.90	
Trust - Fire Prevention	2,183.14	
Trust - Other	38,621.48	118,205.41
General Capital	17,609.73	38,621.48
Sewer Utility - Operating	58,198.06	
Sewer Utility - Capital		47,953.34
	<hr/>	<hr/>
Totals	\$ 223,235.89	\$ 223,235.89

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.



**Note 8: PENSION PLANS**

A substantial number of the Borough'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 Borough 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 Borough, 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 Borough. 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 8: 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 8: 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 is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 14.82% of the Borough'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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$198,019.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$165,531.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$101,523.48.

**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 is currently 10.0% of base salary. 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 8: 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 Borough's contractually required contribution rate for the year ended December 31, 2020 was 32.62% of the Borough'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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$414,872.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$356,678.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$129,048.70.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2020 was 4.51% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$57,304.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 was \$45,975.00, which was paid on April 1, 2020.

**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 Borough 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, 2020, employee contributions totaled \$1,419.52, and the Borough's contributions were \$774.38. There were no forfeitures during the year.

**Note 8: 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**

**Pension Liability** - As of December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$2,951,847.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0181012916%, which was an increase of 0.0010837040% from its proportion measured as of June 30, 2019.

**Pension Expense** - For the year ended December 31, 2020, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$175,976.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PERS was \$165,531.00, and was paid on April 1, 2020.

**Police and Firemen's Retirement System**

**Pension Liability** - As of December 31, 2020, the Borough's and State of New Jersey's proportionate share of the PERS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,798,454.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>744,698.00</u>
	<u>\$ 5,543,152.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0371359491%, which was an increase of 0.0018251622% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0371359491%, which was an increase of 0.0018251622% from its proportion, on-behalf of the Borough, measured as of June 30, 2019.

**Note 8: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

**Pension Expense** - For the year ended December 31, 2020, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$244,143.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PFRS was \$356,678.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2020 measurement date, was \$84,397.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - As of December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 53,748.00	\$ 48,377.00	\$ 102,125.00	\$ 10,439.00	\$ 17,221.00	\$ 27,660.00
Changes of Assumptions	95,761.00	12,075.00	107,836.00	1,235,966.00	1,286,437.00	2,522,403.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	100,897.00	281,356.00	382,253.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	357,320.00	242,568.00	599,888.00	107,237.00	162,246.00	269,483.00
Borough Contributions Subsequent to the Measurement Date	99,010.00	207,436.00	306,446.00	-	-	-
	<u>\$ 706,736.00</u>	<u>\$ 791,812.00</u>	<u>\$ 1,498,548.00</u>	<u>\$ 1,353,642.00</u>	<u>\$ 1,465,904.00</u>	<u>\$ 2,819,546.00</u>

Deferred outflows of resources in the amounts of \$99,010.00 and \$207,436.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Borough's year end of December 31, 2020.

**Note 8: 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 Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<b>PERS</b>		<b>PFRS</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
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
June 30, 2020	5.16	-	5.90	-
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
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
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	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Borough 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
June 30, 2020	5.16	5.16	5.90	5.90

**Note 8: 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>
2021	\$ (303,972.00)	\$ (459,910.00)	\$ (763,882.00)
2022	(277,348.00)	(302,806.00)	(580,154.00)
2023	(132,304.00)	(113,781.00)	(246,085.00)
2024	(22,981.00)	(9,187.00)	(32,168.00)
2025	(9,311.00)	4,156.00	(5,155.00)
	<u>\$ (745,916.00)</u>	<u>\$ (881,528.00)</u>	<u>\$ (1,627,444.00)</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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: <sup>(1)</sup>		
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

<sup>(1)</sup> based on years of service



**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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-2020.

**Police and Firemen's Retirement System**

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-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date 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 would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

**Police and Firemen's Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date 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 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough'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 (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,715,883.00</u>	<u>\$ 2,951,847.00</u>	<u>\$ 2,303,542.00</u>

**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**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 Borough's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, 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 (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 6,380,957.00	\$ 4,798,454.00	\$ 3,484,065.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	990,295.00	744,698.00	540,711.00
	<u>\$ 7,371,252.00</u>	<u>\$ 5,543,152.00</u>	<u>\$ 4,024,776.00</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (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.

**Note 8: PENSION PLANS (CONT'D)****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 Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)***

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Proportion of the Net Pension Liability	0.0181012916%	0.0170175876%	0.0161659527%	0.0171022412%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,951,847.00	\$ 3,066,311.00	\$ 3,182,996.00	\$ 3,981,128.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,309,884.00	\$ 1,209,312.00	\$ 1,153,176.00	\$ 1,135,656.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.35%	253.56%	276.02%	350.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<b>Measurement Date Ended June 30,</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Borough's Proportion of the Net Pension Liability	0.0163929921%	0.0168154766%	0.0152815628%	0.0147765120%
Borough's Proportionate Share of the Net Pension Liability	\$ 4,855,134.00	\$ 3,774,738.00	\$ 2,861,127.00	\$ 2,824,085.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,127,728.00	\$ 1,144,856.00	\$ 1,056,804.00	\$ 1,042,032.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.52%	329.71%	270.73%	271.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<b>Year Ended December 31,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Contractually Required Contribution	\$ 198,019.00	\$ 165,531.00	\$ 160,799.00	\$ 158,434.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>\$ (198,019.00)</u>	<u>\$ (165,531.00)</u>	<u>(160,799.00)</u>	<u>(158,434.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,336,363.00	\$ 1,282,857.00	\$ 1,178,908.00	\$ 1,139,027.00
Borough's Contributions as a Percentage of Covered Payroll	14.82%	12.90%	13.64%	13.91%
	<b>Year Ended December 31,</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Borough's Contractually Required Contribution	\$ 145,633.00	\$ 144,568.00	\$ 125,979.00	\$ 111,338.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(145,633.00)</u>	<u>(144,568.00)</u>	<u>(125,979.00)</u>	<u>(111,338.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,139,334.00	\$ 1,111,310.00	\$ 1,113,194.00	\$ 1,053,650.00
Borough's Contributions as a Percentage of Covered Payroll	12.78%	13.01%	11.32%	10.57%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	<b>Measurement Date Ended June 30,</b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Proportion of the Net Pension Liability	0.0371359491%	0.0353107869%	0.0357915363%	0.0371279262%
Borough's Proportionate Share of the Net Pension Liability	\$ 4,798,454.00	\$ 4,321,270.00	\$ 4,843,185.00	\$ 5,731,834.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	744,698.00	682,337.00	657,867.00	642,014.00
Total	<u>\$ 5,543,152.00</u>	<u>\$ 5,003,607.00</u>	<u>\$ 5,501,052.00</u>	<u>\$ 6,373,848.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,271,040.00	\$ 1,196,796.00	\$ 1,187,400.00	\$ 1,201,820.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	377.52%	361.07%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<b>Measurement Date Ended June 30,</b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Borough's Proportion of the Net Pension Liability	0.0370968896%	0.0378872707%	0.0381434447%	0.0377841843%
Borough's Proportionate Share of the Net Pension Liability	\$ 7,086,455.00	\$ 6,310,699.00	\$ 4,798,092.00	\$ 5,023,066.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	595,086.00	553,427.00	516,674.00	468,211.00
Total	<u>\$ 7,681,541.00</u>	<u>\$ 6,864,126.00</u>	<u>\$ 5,314,766.00</u>	<u>\$ 5,491,277.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,149,892.00	\$ 1,199,816.00	\$ 1,204,760.00	\$ 1,185,792.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	616.27%	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

**Note 8: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	<b><u>Year Ended December 31,</u></b>			
	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Borough's Contractually Required Contribution	\$ 414,872.00	\$ 356,678.00	\$ 349,915.00	\$ 328,589.00
Borough's Contribution in Relation to the Contractually Required Contribution	(414,872.00)	(356,678.00)	(349,915.00)	(328,589.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,271,819.00	\$ 1,285,984.00	\$ 1,244,199.00	\$ 1,203,898.00
Borough's Contributions as a Percentage of Covered Payroll	32.62%	27.74%	28.12%	27.29%
	<b><u>Year Ended December 31,</u></b>			
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Borough's Contractually Required Contribution	\$ 302,466.00	\$ 307,967.00	\$ 292,968.00	\$ 275,665.00
Borough's Contribution in Relation to the Contractually Required Contribution	(302,466.00)	(307,967.00)	(292,968.00)	(275,665.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,189,396.00	\$ 1,136,347.00	\$ 1,167,259.00	\$ 1,159,313.00
Borough's Contributions as a Percentage of Covered Payroll	25.43%	27.10%	25.10%	23.78%

**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

**Changes in Assumptions**

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.



**Note 8: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by a Borough Resolution adopted on February 10, 2004 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Borough approved the adoption of the Plan at the general election held on November 5, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2004. The Plan provides tax deferred income benefits to active volunteer firefighters, and is administered by Variable Annuity Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Barrington Fire Company, consisting of the volunteer fire department, come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Plan Amendments** - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Borough's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Borough elected to contribute between \$500.00 and \$1,000.00 for the year ended December 31, 2020 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2020, the Borough's total expenditure to the Plan was \$3,000.00.

**Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

**Participant Accounts** - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

**Vesting** - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

**Payment of Benefits** - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

**Forfeited Accounts** - For the year ended December 31, 2020, no accounts were forfeited.

**Investments** - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

**Plan Information** - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****BOROUGH OF BARRINGTON POSTEMPLOYMENT BENEFIT PLAN**

**Plan Description and Benefits Provided** - The Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Borough provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Borough who have at least twenty (25) years of service with the Borough. Coverage is provided for the retirees and their spouse until they begin receiving benefits under Medicare and/or Medicaid programs sponsored by the United States of America, providing the retirees have no other medical coverage. This provision is part of a Labor Agreement between the Borough, and the Fraternal Order of Police Local 328 and the American Federation of State, County and Municipal Employees AFL-CIO Council 71. The plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the Borough provides the retirees with a detailed accounting of the costs.

**Employees Covered by Benefit Terms** - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	32
Active Employees	35
	<hr/>
	67
	<hr/>

**Total OPEB Liability**

The Borough's total OPEB liability of \$27,513,604.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

**Actuarial Assumptions and Other Inputs** - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% Annually
Discount Rate	2.12%
Healthcare Cost Trend Rates:	
Medical	5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026
Drug	9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026
Dental	3.5% per annum
Retirees' Share of Benefit-Related Costs	Contribution rate in effect when they retire

The discount rate was based on the Bond Buyer 20 index rate.

Mortality rates were based on RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****BOROUGH OF BARRINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd)**

An experience study was not performed on the actuarial assumptions used in the December 31, 2020 valuation since the plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables either developed for the applicable State Pension system in which the Borough participates or State Health Benefits Program. The actuary has used their professional judgement in applying these assumptions to this plan.

**Changes in Total OPEB Liability**

Balance at December 31, 2019		\$ 25,694,938.00
Changes for the Year:		
Service Cost	\$ 256,942.00	
Interest Cost	704,704.00	
Benefit Payments	(465,444.00)	
Changes in Assumptions	<u>1,322,464.00</u>	
Net Changes		<u>1,818,666.00</u>
Balance at December 31, 2020		<u>\$ 27,513,604.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

**Sensitivity of Total OPEB Liability to Changes in Discount Rate** - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020</u>		
	<b>1.00% Decrease (1.12%)</b>	<b>Current Discount Rate (2.12%)</b>	<b>1.00% Increase (3.12%)</b>
Total OPEB Liability	<u>\$ 29,971,656.00</u>	<u>\$ 27,513,604.00</u>	<u>\$ 25,482,881.00</u>

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>December 31, 2020</u>		
	<b>1.00% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1.00% Increase</b>
Total OPEB Liability	<u>\$ 24,945,843.00</u>	<u>\$ 27,513,604.00</u>	<u>\$ 30,633,143.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****BOROUGH OF BARRINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

**OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2020, the Borough recognized OPEB (benefit) expense of \$1,307,666.00. As of December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes of Assumptions	\$ 3,605,703.00	\$ -
Difference Between Expected and Actual Experience	-	-
	<u>\$ 3,605,703.00</u>	<u>\$ -</u>

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

<b><u>Year Ending Dec 31,</u></b>	
2021	\$ 346,020.00
2022	346,020.00
2023	346,020.00
2024	346,020.00
2025	346,020.00
Thereafter	<u>1,875,603.00</u>
	<u>\$ 3,605,703.00</u>

**Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the Borough's OPEB 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.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****BOROUGH OF BARRINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios (Last Three Years):***

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 256,942.00	\$ 311,049.00	\$ 311,049.00
Interest Cost	704,704.00	908,537.00	879,158.00
Benefit Payments	(465,444.00)	(481,788.00)	(465,494.00)
Changes in Assumptions	<u>1,322,464.00</u>	<u>2,867,849.00</u>	
Net Change in Total OPEB Liability	1,818,666.00	3,605,647.00	724,713.00
Total OPEB Liability - Beginning of Fiscal Year	<u>25,694,938.00</u>	<u>22,089,291.00</u>	<u>21,364,578.00</u>
Total OPEB Liability - End of Fiscal Year	<u>\$ 27,513,604.00</u>	<u>\$ 25,694,938.00</u>	<u>\$ 22,089,291.00</u>
Covered-Employee Payroll	\$ 3,293,728.52	\$ 3,363,939.24	\$ 3,212,215.48
Total OPEB Liability as a Percentage of Covered Payroll	835.33%	763.83%	687.67%

**Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None.

**Changes in Assumptions**

The discount rate changed from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020.

The trend rate (medical) changed from 5.70% as of December 31, 2019 to 5.60% as of December 31, 2020.

The trend rate (drug) changed from 9.50% as of December 31, 2019 to 9.00% as of December 31, 2020.

**Note 11: COMPENSATED ABSENCES**

In certain instances, as set forth by the collective bargaining agreement and/or approval of the governing body, compensatory time may be accumulated from year to year for police officers and shall be paid at 1.5 times the rate at which it was earned. At December 31, 2020, the amount is estimated to be \$4,502.40.

In certain instances, as set forth by the collective bargaining agreement and/or approval of the governing body, sick leave may be sold back at the end of the year for administrative staff. Sick time may be sold to employees at the employee's rate. A maximum of 5 days may be sold and at December 31, 2020, the amount is estimated to be \$26,973.92.

**Note 12: DEFERRED COMPENSATION SALARY ACCOUNT**

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

**Note 13: LEASE OBLIGATIONS**

At December 31, 2020, the Borough had lease agreements in effect for the following:

Operating:  
     One (1) Postage Meter  
     One (1) Copy Machine

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

<u>Year</u>	<u>Amount</u>
2021	\$ 5,044.68
2022	5,044.68
2023	3,921.56
2024	3,360.00
2025	280.00

Rental payments under operating leases for the year 2020 were \$4,659.68.



**Note 14: CAPITAL DEBT****General Improvement Bonds**

General Improvement Bonds, Series 2010 - On November 1, 2010, the Borough issued \$3,640,000.00 of callable general improvement bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is November 1, 2026.

General Improvement Bonds, Series 2014 - On July 1, 2014, the Borough issued \$2,105,000.00 of non-callable general improvement bonds, with interest rates ranging from 2.0% to 2.75% and \$3,780,000.00 of callable taxable general obligation bonds, with interest rates ranging from 4.0% to 5.0%. The purpose of the bonds is to fund various capital projects in the Borough. The final maturity of the bonds is July 1, 2023 for the general improvement bonds and July 1, 2039 for the taxable general obligation bonds.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 720,000.00	\$ 260,050.00	\$ 980,050.00
2022	820,000.00	238,000.00	1,058,000.00
2023	910,000.00	212,300.00	1,122,300.00
2024	610,000.00	179,650.00	789,650.00
2025	610,000.00	155,250.00	765,250.00
2026-2030	1,315,000.00	515,050.00	1,830,050.00
2031-2035	900,000.00	308,450.00	1,208,450.00
2036-2039	710,000.00	88,000.00	798,000.00
Totals	<u>\$ 6,595,000.00</u>	<u>\$ 1,956,750.00</u>	<u>\$ 8,551,750.00</u>

**Sewer Improvement Bonds**

Sewer Improvement Bonds, Series 2014 - On July 1, 2014, the Borough issued \$235,000.00 of sewer improvement bonds, with interest rates ranging from 2.0% to 2.75%. The purpose of the bonds is to fund various sewer capital ordinances. The final maturity of the bonds is July 1, 2023.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,000.00	\$ 2,850.00	\$ 32,850.00
2022	40,000.00	2,100.00	42,100.00
2023	40,000.00	1,100.00	41,100.00
Totals	<u>\$ 110,000.00</u>	<u>\$ 6,050.00</u>	<u>\$ 116,050.00</u>

**Note 14: CAPITAL DEBT (CONT'D)****Sewer Utility Debt - New Jersey Environmental Infrastructure Loans**

On October 15, 2003, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$499,712.00, at no interest, from the fund loan, and \$520,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the sewer utility system. Semiannual debt payments are due February 1st and August 1st through 2023.

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>
2021	\$ 59,748.30	\$ 5,137.50	\$ 64,885.80
2022	58,777.17	3,562.50	62,339.67
2023	<u>65,835.21</u>	<u>1,900.00</u>	<u>67,735.21</u>
Totals	<u>\$ 184,360.68</u>	<u>\$ 10,600.00</u>	<u>\$ 194,960.68</u>

**Sewer Utility Debt – United States Department of Agriculture Rural Development Loan**

On June 25, 2020, the Borough entered into a loan agreement with the United States Department of Agriculture to provide \$1,966,000.00 at an interest rate of 1.375%. The proceeds were used to fund improvements to the sewer utility system. Semiannual debt payments are due June 25th and December 25th through 2060.

The following schedule represents the remaining debt service, through maturity, for the United States Department of Agriculture loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 37,442.55	\$ 26,649.45	\$ 64,092.00
2022	37,959.16	26,132.84	64,092.00
2023	38,482.89	25,609.11	64,092.00
2024	39,013.85	25,078.15	64,092.00
2025	39,552.13	24,539.87	64,092.00
2026-2030	206,098.48	114,361.52	320,460.00
2031-2035	220,714.25	99,745.75	320,460.00
2036-2040	236,366.52	84,093.48	320,460.00
2041-2045	253,128.78	67,331.22	320,460.00
2046-2050	271,079.78	49,380.22	320,460.00
2051-2055	290,303.77	30,156.23	320,460.00
2056-2060	<u>278,834.73</u>	<u>9,579.27</u>	<u>288,414.00</u>
Totals	<u>\$ 1,948,976.89</u>	<u>\$ 582,657.11</u>	<u>\$ 2,531,634.00</u>

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 11,831,930.00	\$ 11,537,520.00	\$ 11,779,000.00
Sewer Utility:			
Bonds, Notes and Loans	<u>2,643,337.57</u>	<u>2,320,188.01</u>	<u>2,428,094.37</u>
Total Issued	<u>14,475,267.57</u>	<u>13,857,708.01</u>	<u>14,207,094.37</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	132,991.99	1,454,108.99	1,380,886.15
Sewer Utility:			
Bonds and Notes	<u>                    </u>	<u>400,000.00</u>	<u>                    </u>
Total Authorized but not Issued	<u>132,991.99</u>	<u>1,854,108.99</u>	<u>1,380,886.15</u>
Total Issued and Authorized but not Issued	<u>14,608,259.56</u>	<u>15,711,817.00</u>	<u>15,587,980.52</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds	41,941.47	66,941.47	130,816.04
Sewer Utility:			
Self-Liquidating	<u>2,643,337.57</u>	<u>2,720,188.01</u>	<u>2,428,094.37</u>
Total Deductions	<u>2,685,279.04</u>	<u>2,787,129.48</u>	<u>2,558,910.41</u>
<b>Net Debt</b>	<u>\$ 11,922,980.52</u>	<u>\$ 12,924,687.52</u>	<u>\$ 13,029,070.11</u>

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 2.258%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,420,000.00	\$ 3,420,000.00	
Self-Liquidating	2,643,337.57	2,643,337.57	
General	<u>11,964,921.99</u>	<u>41,941.47</u>	\$ 11,922,980.52
	<u>\$ 18,028,259.56</u>	<u>\$ 6,105,279.04</u>	<u>\$ 11,922,980.52</u>

Net debt \$11,922,980.52 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$528,009,781.67, equals 2.258%.

**Note 14: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	18,480,342.36
Less: Net Debt		<u>11,922,980.52</u>
Remaining Borrowing Power	\$	<u><u>6,557,361.84</u></u>

**Calculation of "Self-Liquidating Purpose,"  
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		\$	834,883.26
Deductions:			
Operating and Maintenance Costs	\$	676,694.95	
Debt Service		<u>123,711.59</u>	
Total Deductions			<u>800,406.54</u>
Excess in Revenue	\$		<u><u>34,476.72</u></u>

**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, 2020, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2020</u>	<u>2021 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 25,000.00	\$ 5,000.00

The appropriations in the 2021 Budget as adopted are not less than that required by the statutes.

**Note 16: RISK MANAGEMENT**

The Borough 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.

**Joint Insurance Pool** - The Borough is a member of the Camden County 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 Banking and 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.

In addition to the above coverage, the Fund provides the Borough with the following coverage:

Property  
General and Automobile Liability  
Workers Compensation  
Environmental Liability  
Public Officials / Employment Practices Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
Excess General Liability  
Excess Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund  
9 Campus Drive, Suite 16  
Parsippany, NJ 07054-4412

**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 Borough expects such amount, if any, to be immaterial.

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

**Note 18: CONCENTRATIONS**

The Borough 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 Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 19: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Various Capital Projects and Acquisition of Various Capital Equipment	06/09/21	\$ 2,775,283.00

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. During the 2020 year, the Borough did not receive the estimated amount of municipal court fines and cost. This revenue shortfall was not material overall to the Borough. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

**APPENDIX C**  
**FORMS OF BOND COUNSEL OPINIONS**



August \_\_, 2021

Mayor and Borough Council  
of the Borough of Barrington  
229 Trenton Avenue  
Barrington, New Jersey

**RE:     \$\_\_\_\_\_ BOROUGH OF BARRINGTON, COUNTY OF CAMDEN, NEW  
         JERSEY, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021**

Ladies and Gentlemen:

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

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Borough Council on June 10, 2021 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Borough Council on June 10, 2021 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) current refund and redeem all of the Borough's outstanding callable General Obligation Bonds, Series 2010, maturing on November 1 in the years 2022 through 2026, both dates inclusive; and (ii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on November 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on May 1 and November 1, commencing November 1, 2021, in each year until maturity.

	<b>Total</b>	
<b><u>Year</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>
2022	\$	%
2023		
2024		
2025		
2026		

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**





The Refunding Bonds are issued in fully registered book-entry-only form without coupons, and are not subject to redemption prior to their stated maturity dates.

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

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

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

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

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

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

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

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

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



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

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

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

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

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



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

In providing the opinion expressed in paragraph 3 above, we have relied upon the certification of Stifel, Nicolaus & Company, Incorporated, regarding the computation of the yield on the Refunding Bonds and a certification of Acacia Financial Group, Inc., as to the sufficiency of the escrow proceeds.

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

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

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

Very truly yours,



# PARKER McCAY

**Parker McCay P.A.**  
9000 Midlantic Drive, Suite 300  
P.O. Box 5054  
Mount Laurel, New Jersey 08054-5054

P: 856.596.8900  
F: 856.596.9631  
www.parkermccay.com

August \_\_, 2021

Mayor and Borough Council  
of the Borough of Barrington  
229 Trenton Avenue  
Barrington, New Jersey

**RE:     \$\_\_\_\_\_ BOROUGH OF BARRINGTON, COUNTY OF CAMDEN, NEW  
JERSEY, TAXABLE GENERAL OBLIGATION REFUNDING BONDS,  
SERIES 2021**

Ladies and Gentlemen:

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

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Borough Council on June 10, 2021 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Borough Council on June 10, 2021 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) advance refund and redeem all of the Borough's outstanding callable Taxable General Obligation Bonds, Series 2014, maturing on July 15 in the years 2024 through 2039, both dates inclusive; and (ii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on July 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on January 15 and July 15, commencing January 15, 2022, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Total</u> <u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Total</u> <u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$	%	2031	\$	%
2023			2032		
2024			2033		
2025			2034		
2026			2035		
2027			2036		
2028			2037		
2029			2038		
2030			2039		

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**

Mount Laurel, New Jersey | Hamilton, New Jersey | Atlantic City, New Jersey | Camden, New Jersey



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

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, inter alia, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended, and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Refunding Bond Ordinance, the Resolution and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Refunding Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined.

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

1. The Refunding Bonds are legal, valid and binding obligations of the Borough enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
2. For the payment of principal of and interest on the Refunding Bonds, the Borough has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Borough without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
3. Interest on the Refunding Bonds is included in the gross income of the owners thereof for federal tax purposes.
4. Interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

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

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

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



**PARKER McCAY**

Mayor and Borough Council  
of the Borough of Barrington  
August \_\_, 2021  
Page 3

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

Very truly yours,

## **APPENDIX D**

### **FORMS OF CONTINUING DISCLOSURE AGREEMENTS**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this \_\_\_th day of August, 2021 between the Borough of Barrington, County of Camden, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its General Obligation Refunding Bonds, Series 2021, in the principal amount of \$\_\_\_\_\_ ("Refunding Bonds").

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

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

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

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

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

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

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

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

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

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

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



**"Official Statement"** shall mean the Official Statement of the Borough dated July \_\_, 2021, relating to the Refunding Bonds.

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

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

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

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough (commencing for the fiscal year ending December 31, 2021). Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

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

requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

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

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

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

(b) The Borough shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection

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

(c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borough may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Borough to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, but not later than ten (10) days after the occurrence of any of the Listed Events, with a copy of such notice provided by the Dissemination Agent to the Borough.

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

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borough may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if the Borough has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

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

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the

United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Borough:  
  
Borough of Barrington  
229 Trenton Avenue  
Barrington, New Jersey 08007  
Attention: Chief Financial Officer
- (ii) If to the Dissemination Agent:  
  
Phoenix Advisors, LLC  
625 Farnsworth Avenue  
Bordentown, New Jersey 08505

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

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

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

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

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

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

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

**SECTION 17. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**BOROUGH OF BARRINGTON , NEW JERSEY**

By: \_\_\_\_\_  
**DENISE MOULES, Chief Financial Officer**

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

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

**EXHIBIT A**

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

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

Name of Bond Issues Affected: General Obligation Refunding Bonds, Series 2021

Date of Issuance of the Affected  
Bond Issue: August \_\_, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated August \_\_, 2021, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_.]

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

PHOENIX ADVISORS, LLC,  
as Dissemination Agent

cc: Borough of Barrington , New Jersey

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this \_\_\_th day of August, 2021 between the Borough of Barrington, County of Camden, New Jersey ("Borough") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Borough of its Taxable General Obligation Refunding Bonds, Series 2021, in the principal amount of \$\_\_\_\_\_ ("Refunding Bonds").

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

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

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

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

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

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

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

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

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

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

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



**"Official Statement"** shall mean the Official Statement of the Borough dated July \_\_, 2021, relating to the Refunding Bonds.

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

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

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

(a) The Borough shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Borough's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Borough (commencing for the fiscal year ending December 31, 2021). Each Annual Report provided to the Dissemination Agent by the Borough shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

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

requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

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

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

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

(b) The Borough shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection

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

(c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borough may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Borough to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, but not later than ten (10) days after the occurrence of any of the Listed Events, with a copy of such notice provided by the Dissemination Agent to the Borough.

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

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Borough may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if the Borough has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

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

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

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the

United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Borough:

Borough of Barrington  
229 Trenton Avenue  
Barrington, New Jersey 08007  
Attention: Chief Financial Officer

- (ii) If to the Dissemination Agent:

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

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

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

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

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

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

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

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

**SECTION 17. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**BOROUGH OF BARRINGTON , NEW JERSEY**

By: \_\_\_\_\_  
**DENISE MOULES, Chief Financial Officer**

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

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

**EXHIBIT A**

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

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

Name of Bond Issues Affected: Taxable General Obligation Refunding Bonds, Series 2021

Date of Issuance of the Affected  
Bond Issue: August \_\_, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated August \_\_, 2021, between the Borough and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_.]

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

PHOENIX ADVISORS, LLC,  
as Dissemination Agent

cc: Borough of Barrington , New Jersey