

NEW ISSUE

Rating: Standard & Poor's: "AA-"
(See "RATING" herein)

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Fire District (as hereinafter defined), assuming continuing compliance by the Fire District with certain tax covenants described herein, under existing law, interest on the Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code. In the case of certain corporations that own the Bonds, the interest thereon is included in computing the alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". Interest on the Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act as presently enacted and construed. See "TAX MATTERS" herein.

\$1,960,000

**THE BOARD OF FIRE COMMISSIONERS OF FIRE DISTRICT NO. 1
OF THE TOWNSHIP OF BORDENTOWN,
IN THE COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2015
(Book-Entry Issue) (Callable) (Bank Qualified)**

Dated Date: Date of Delivery

Due: January 15, as shown below

The \$1,960,000 aggregate principal amount of General Obligations Bonds, Series 2015 (the "Bonds") of The Board of Fire Commissioners of Fire District No. 1, in the Township of Bordentown, County of Burlington, New Jersey ("Board" when referring to the governing body and "Fire District" when referring to the legal entity governed by the Board), shall be issued in fully registered book-entry only form without coupons. The principal of the Bonds shall be paid on their respective maturity dates upon presentation and surrender of the Bonds at the offices of the Fire District, or its hereinafter designated paying agent, if any. Interest on the Bonds is payable semiannually on January 15 and July 15, commencing on January 15, 2016, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their respective maturity dates as further described herein.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners of a Bond. 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 Bond.

The Bonds are issued pursuant to: (i) Title 40A, Chapter 14, Section 70, of the New Jersey Statutes, as amended and supplemented; (ii) a resolution duly adopted by the Board on March 12, 2015; and (iii) a Certificate of Determination and Award dated March __, 2015. The Bonds are authorized by a proposal, duly adopted by the Board on October 2, 2014, and approved by the legal voters of the Fire District at a special election held on December 13, 2014.

The Bonds are being issued to provide funds that will be used: (i) to finance various capital improvements to the Fire District's Mission Fire Station; and (ii) for the payment of certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2016	\$70,000		%		2026	\$100,000	%	%	
2017	75,000				2027	105,000			
2018	80,000				2028	110,000			
2019	85,000				2029	115,000			
2020	90,000				2030	120,000			
2021	95,000				2031	125,000			
2022	95,000				2032	130,000			
2023	95,000				2033	135,000			
2024	95,000				2034	140,000			
2025	100,000								

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Fire District by its Counsel, Robert L. Sexton, Esq., Bordentown, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey served as Financial Advisor to the Fire District in connection with the Bonds. The Bonds are expected to be available for delivery in definitive form to the Securities Depository in New York, New York on or about April __, 2015.

BID PROPOSALS FOR THE BONDS WILL BE ACCEPTED ONLY BY ELECTRONIC SUBMISSION VIA PARITY UNTIL 11:00 A.M. ON MARCH 25, 2015. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY AND TO VIEW THE NOTICE OF SALE, POSTED ON WWW.I-DEALPROSPECTUS.COM.

This is a Preliminary Official Statement complete with the exception of the specific information permitted to be omitted by Rule 15(c) 2-12 of the Securities and Exchange Commission. The Board has authorized the distribution of this Preliminary Official Statement to prospective purchasers and others. In accordance with Rule 15(c) 2-12, this Preliminary Official Statement is deemed final. Upon the sale of the Bonds described herein, the Board will deliver a final Official Statement within the earlier of seven business days following such sale or in order to accompany the purchaser's confirmations requesting payment for the Bonds.

**THE BOARD OF FIRE COMMISSIONERS OF FIRE DISTRICT NO. 1
OF THE TOWNSHIP OF BORDENTOWN, STATE OF NEW JERSEY**

BOARD OF FIRE COMMISSIONERS

John D. Kinsley, Jr. - Chairman
Timothy J. Kinsley – Secretary
Richard L. Rosall – Treasurer
Thomas W. Dwier – Commissioner
Salvatore Guido – Commissioner

FIRE DISTRICT ATTORNEY

Robert Sexton, Esq.
Bordentown, New Jersey

AUDITOR

John J. Maley, Jr., C.P.A., R.M.A.
Bordentown, New Jersey

BOND COUNSEL

Parker McCay P.A.
Mount Laurel, New Jersey

FINANCIAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCOUNTED 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.

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OFFICIAL STATEMENT
Relating to

\$1,960,000
THE BOARD OF FIRE COMMISSIONERS OF FIRE DISTRICT NO. 1
OF THE TOWNSHIP OF BORDENTOWN,
IN THE COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2015
(Book-Entry Issue) (Callable) (Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Fire Commissioners of Fire District No. 1 of the Township of Bordentown, County of Burlington, New Jersey ("Board" when referring to the governing body and "Fire District" when referring to the legal entity governed by the Board), in connection with the sale and the issuance of \$1,960,000 aggregate principal amount of its General Obligation Bonds, Series 2015 (the "Bonds"). This Official Statement has been executed by and on behalf of the Fire District by its Chairman and may be distributed in connection with the sale of the Bonds described herein.

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

PURPOSE OF THE BONDS

The Bonds are being issued to provide funds that will be used: (i) to finance various capital improvements to the Mission Fire Station, together with the acquisition of all equipment necessary therefor or related thereto; and (ii) for the payment of certain costs and expenses incidental to the issuance, sale and delivery of the Bonds (collectively, the "Project").

AUTHORIZATION FOR THE BONDS

The Bonds have been authorized and are being issued pursuant to (i) Title 40A, Chapter 14, Section 85, of the New Jersey Statutes, as amended and supplemented; (ii) a resolution duly adopted by the Board on March 12, 2015; and (iii) a Certificate of Determination and Award dated March __, 2015. The Bonds are authorized by a proposal, duly adopted by the Board on October 2, 2014 and approved by the legal voters of the Fire District at a special election held on December 13, 2014.

The financing plan of the Fire District regarding the Bonds was reviewed in accordance with the Fire District Law, specifically, *N.J.S.A. 40A:5A-6 et seq.*, by the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("LFB"). On February 11, 2015 the LFB adopted a resolution that contained positive findings with respect to the issuance of the Bonds and the transactions described herein.

THE BONDS

General Description

The Bonds shall be dated their date of issuance and will mature on January 15 in the years and in the principal amounts as set forth on the front cover page hereof. The Bonds shall bear interest from their date, payable semiannually on each January 15 and July 15 (each, an "Interest Payment Date"), commencing January 15, 2016, in each year until maturity or earlier redemption, at the interest rates shown on the front cover page hereof. Interest on the Bonds shall be computed on a 30-day month/360-day year basis.

The Bonds will be issued in fully registered book-entry-only form without coupons. The principal of the Bonds is payable at maturity, or earlier redemption, upon presentation and surrender hereof by the Registered Owner, or registered assigns, at the offices of the Fire District, or its hereinafter designated paying agent, if any. Interest on this Bond is payable by check or draft mailed to the Registered Owner of record hereof as of the first (1st) day of the calendar month containing an Interest Payment Date at the address of such Registered Owner appearing on the registration books maintained by the Fire District, or its hereinafter designated paying agent, if any, for such purpose in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

So long as DTC or its nominee, CEDE & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Fire District directly to CEDE & Co. (or any successor or assign), as nominee for DTC. See "Book-Entry Only System" herein.

Book-Entry-Only System

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

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

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

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** and **www.dtc.org**.

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

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

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

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

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

Redemption proceeds and principal and interest payments on the Bonds will be made to CEDE & CO., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board, or its hereinafter designated paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the

responsibility of such Participant and not of DTC, the paying agent, if any, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to CEDE & CO. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board, or its hereinafter designated paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

Discontinuation of Book-Entry Only System

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

Redemption

The Bonds maturing prior to January 15, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after January 15, 20__ shall be subject to redemption prior to their stated maturity dates at the option of the Fire District, upon notice as set forth below, in whole or in part (and, if in part, such maturities as the Fire District shall determine and within any such maturity by lot), on any date on or after January 15, 20__ at a redemption price of 100% of the par amount of Bonds to be redeemed (the "Redemption Price"), plus unpaid accrued interest to the date fixed for redemption.

Notice of Redemption

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

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

Local Authorities Fiscal Control Law

The Fire District is regulated by the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq. (the "Act"). The Act regulates the local financial operations and debt of independent local authorities and special taxing districts, such as the Fire District. The purpose of the Act, according to the Senate, County and Municipal Government Committee Statement that accompanied Assembly Bill No. 144, was to strengthen the credit standing of municipalities, counties and independent financing authorities, by extending a proven system of financial regulation to what was a largely unregulated area of local debt financing.

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

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

State Supervision

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

SECURITY AND SOURCE OF PAYMENT

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

The Fire District may pledge only its own credit and taxing power with respect to the payment of the principal of and interest on the Bonds. It 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 Bonds be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Bonds.

GENERAL INFORMATION REGARDING THE FIRE DISTRICT

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

FINANCIAL INFORMATION REGARDING THE FIRE DISTRICT

The Fire District's financial operations are subject to the following State statutes or regulations.

Annual Audit

Every fire district of the State must be audited annually by a registered municipal accountant or certified public accountant licensed by the State. The annual audit must conform to generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants and the "New Jersey Special Districts Accounting Principles and Policies, Auditing Procedures and Financial Reporting Practices Manual" promulgated by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, State of New Jersey. The annual audit includes recommendations for improvement of a fire district's financial procedures and must be filed with the municipality and the Director of the Division of Local Government Services prior to April 30 of each year unless extensions are granted. The entire annual audit report for the year ended December 31, 2013 is on file with the Fire District and is available for review during business hours.

The New Jersey State Board of Accountancy regulates the registered municipal accountant and/or certified public accountant who must obtain a biennial license.

Appendix "B" to this Official Statement contains audited financial statements of the Fire District for the year 2013. A copy of the 2013 audit prepared by John J. Maley, Jr., C.P.A., R.M.A., Bordentown, New Jersey and containing the financial statements, and complete Reports of Audit may be obtained upon request to the office of the Administrator.

Annual Budget

The Fire District must adopt an annual budget in accordance with N.J.S.A. 40A:14-78.1 et seq.

The Board of Fire Commissioners must introduce and approve the annual budget not later than sixty days prior to the annual election. At introduction, the Fire Commissioners shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper having substantial circulation in the fire district. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the Fire Commissioners may, by majority vote, adopt the budget.

Amendments may be made to the fire district budget in accordance with N.J.S.A. 40A:14-78.3. The budget may not be amended subsequent to its final adoption and approval.

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

Fire districts have a prescribed budgetary basis to demonstrate legal compliance. However, budgets are adopted on principally the same basis of accounting utilized for the preparation of the fire district's general purpose financial statements.

Statutory Debt Limitation

The authorized bonded indebtedness of the Fire District is limited by N.J.S.A. 40A:14-86 to an amount not exceeding \$60,000 or two percent (2%) of the assessed valuation of all taxable property in the Fire District, whichever amount is larger. The assessed valuation of the taxable property in the Fire

District, as of December 31, 2013, is \$382,473,725. The Bonds offered hereby are included in the computation of debt for the purpose of the statutory debt limit. The issuance of the Bonds will not cause the Fire District's indebtedness to exceed the statutory debt limit.

Fire District Taxes

Upon the proper certification to the assessor of the municipality in which a fire district is located, the assessor shall assess the amount of taxes to be raised in support of the fire district's budget in the same manner as all other municipal taxes.

The collector or treasurer of the municipality shall then pay over to the treasurer or custodian of funds of the fire district 100% of the taxes assessed in accordance with the following schedule: on or before April 1, an amount equaling 21.25% of all monies assessed; on or before July 1, an amount equaling 22.50% of all monies assessed; on or before October 1, an amount equaling 25% of all monies assessed; and on or before December 31, an amount equaling the difference between the total of all monies so assessed and the total amount of monies previously paid over.

LITIGATION

Upon delivery of the Bonds, the Fire District shall furnish an opinion of Robert Sexton, Esq., Bordentown, New Jersey, as Solicitor to the Fire District ("Solicitor"), dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the 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 Bonds. In addition, such opinion shall state that there is no litigation of any nature now pending or threatened by or against the Fire District wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Fire District or adversely affect the power of the Fire District to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Fire District, assuming continuing compliance by the Fire District with the tax covenants described below, under existing law, interest on the Bonds 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 is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the "adjusted current earnings" of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on the Bonds is included in computing a corporation's "adjusted current earnings." Accordingly, a portion of the interest on the Bonds is included in computing such corporation's alternative minimum taxable income for such year.

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

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

In rendering its opinion, Bond Counsel has relied on the Fire District's covenants contained in the Resolution and in the Certificate as to Nonarbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Fire District to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

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

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

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

RATING

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (the "Rating Agency"), has assigned a rating of "AA-" to the Bonds.

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

MUNICIPAL BANKRUPTCY

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

half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

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

SECONDARY MARKET DISCLOSURE

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

This is the first time the Fire District will be obligated to provide secondary market disclosure pursuant to the Rule.

UNDERWRITING

The Bonds have been purchased from the Fire District by _____, _____, New Jersey (the "Underwriter"), pursuant to a Certificate of Determination and Award dated the date of this Official Statement. The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields set forth on the cover of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

FINANCIAL ADVISOR

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

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 Fire District, including the Bonds, and such Bonds are authorized security for any and all public deposits.

NO DEFAULT

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incidental to the authorization, sale and delivery of the Bonds are subject to the approval of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Fire District, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth in Appendix "C". Certain legal matters will be passed on for the Fire District by its Solicitor.

The various legal opinions to be delivered concurrently with the delivery of the 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 of the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to John D. Kinsley, Jr., Chairman of the Board, at 51 Groveville Road, Yardville, New Jersey 08620, or the Financial Advisor, Phoenix Advisors, LLC at 4 West Park Street, Bordentown, New Jersey 08505.

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 such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

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

This Official Statement has been duly executed and delivered by the Administrator of the Fire District.

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

By: _____
John D. Kinsley, Jr.,
Chairman

Dated: March __, 2015

APPENDIX A

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

INFORMATION REGARDING THE FIRE DISTRICT¹

General

The governing body of any municipality which does not have a paid or part-time fire department may, upon application of at least 5% of the registered voters or twenty (20) voters, whichever is greater, by ordinance designate a territorial location (or locations) for use as a fire district(s). The governing body of the Township of Bordentown (the “Township”) adopted an ordinance to create the Bordentown Township Fire District No. 1 (the “Fire District”). The Board of Commissioners of Fire District No. 1 of the Township of Bordentown (the “Board”) was created to govern the territorial area to be served by the Fire District.

The Fire District provides fire suppression and rescue operations to approximately 9.3 square miles corners of the Township, representing approximately 10,000 residents. The Fire District is a separate government body known as a “Special District” and is governed by an elected Board of Commissioners.

Organization and Structure

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

The Board of Commissioners serves as the Fire District’s governing body and manages all operations of the Fire District. The length of a Commissioner’s term is three (3) years. An annual election is held the third Saturday of February for the election of members of the Board, according to the expiration of the staggered terms.

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

The Fire District operates three (3) engines, three (3) squad trucks, one (1) van, and one (1) foam unit.

Fire District Employees

The Chief and Deputy Chief is in charge of all employees of the Fire District. He oversees all operational matters of the Fire District and reports directly to the Board.

Fire Protection is provided by a staff of career and volunteer firefighters. Staff members consist of a chief, deputy chief, assistant chief, captain, lieutenant, and firefighters.

¹ Source: The Fire District, unless otherwise indicated.

**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES FOR THE YEARS ENDED DECEMBER 31:**

	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES			
Local Sources	\$582,340	\$612,482	\$710,659
State Sources	1,760	1,566	1,566
Miscellaneous Revenues	<u>45,669</u>	<u>51,228</u>	<u>84,072</u>
Total Revenues	\$629,769	\$665,276	\$796,297
EXPENDITURES			
Operating and Maintenance:			
Salaries and Wages	\$280,161	\$280,511	\$291,938
Other Expenses	315,752	321,415	371,530
Debt Service	<u>49,583</u>	<u>49,582</u>	<u>49,582</u>
Total Expenditures	<u>\$645,496</u>	<u>\$651,509</u>	<u>\$713,050</u>
Excess of Rev. Over Expenditures	(15,727)	13,767	83,247
Other Financing Sources (Uses):			
Transfers to Capital Projects Fund	<u>(15,000)</u>	<u>(15,000)</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(30,000)</u>
Excess of Rev\Other Financing Sources Over Expend\Other Financing Uses	(30,727)	(1,233)	\$53,247
Fund Balance, January 1	64,845	34,118	32,885
Prior Period Adjustment	0		0
Utilization of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, December 31	<u><u>\$34,118</u></u>	<u><u>\$32,885</u></u>	<u><u>\$86,132</u></u>

Source: Annual Audit Reports of the Fire District. Statement of Revenues, Expenditures Governmental Funds and Changes In Fund Balances.

Fire District Budget

<u>Anticipated Revenues</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fund Balance Utilized	\$40,274	\$48,193	\$26,423	\$0	\$0
Miscellaneous Anticipated Revenues	0	0	0	0	0
Operating Grant Revenue	1,760	1,760	1,760	1,760	1,566
Uniform Fire Safety Act	45,666	46,166	46,166	62,779	74,831
Amount to be Raised by Taxation	<u>551,238</u>	<u>582,340</u>	<u>612,482</u>	<u>710,659</u>	<u>754,036</u>
Total Revenue:	<u>\$638,938</u>	<u>\$678,459</u>	<u>\$686,831</u>	<u>\$775,198</u>	<u>\$830,433</u>
<u>Appropriations</u>					
Administration	\$34,700	\$35,734	\$36,650	\$37,662	\$47,587
Cost of Operations and Maintenance	493,989	531,976	539,432	574,174	628,432
Appropriations offset with Revenues	45,666	46,166	46,166	83,779	74,831
Length of Service Aware Program	0	0	0	0	0
Capital Appropriations	15,000	15,000	15,000	30,000	30,000
Debt Service Appropriation	<u>49,583</u>	<u>49,583</u>	<u>49,583</u>	<u>49,583</u>	<u>49,583</u>
Total Appropriations:	<u>\$638,938</u>	<u>\$678,459</u>	<u>\$686,831</u>	<u>\$775,198</u>	<u>\$830,433</u>

Source: Annual Adopted Budgets of the Fire District.

Net Assessed Valuations and Annual Tax Rates

	Net	Fire District Tax	
<u>Year</u>	<u>Valuation</u>	<u>Amount</u>	<u>Rate</u>
2014	\$384,053,722	\$745,036	0.194
2013	360,782,419	710,659	0.199
2012R	358,413,780	612,482	0.171
2011	453,307,764	582,340	0.129
2010	456,115,987	551,238	0.121

R=Revaluation

Source: Annual Audit Reports of the Fire District.

Long Term Bonded Debt

As of December 31, 2014, the Board has no outstanding long term bonded debt.

Source: Annual Audit Reports of the Fire District.

Capital Leases

As of December 31, 2014, the Board has a capital leases outstanding with payments due through year ending December 31, 2017 totaling \$121,025.

Source: Annual Audit Reports of the Fire District.

Debt Limit of the Fire District²

The debt limitation of the Board is established by the statute (N.J.S.A. 40A:14-86). The Board is permitted to incur debt up to 2% of the average equalized valuation in the Fire District for the past three years. The following is a summation of the Board's debt limitation as of December 31, 2014:

Average Equalized Valuation Basis (2012, 2013, 2014)	\$384,053,722
Permitted Debt Limitation (2%)	7,681,074
Less: Net Debt	<u>0</u>
Remaining Borrowing Power	<u>\$7,681,074</u>
Percentage of Net Debt to Average Equalized Valuation	0.00%
Gross Debt Per Capita based on 2010 population of 39,132	\$0
Net Debt Per Capita based on 2010 population of 39,132	\$0

Source: Annual Audit Reports of the Board.

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² As of December 31, 2014, the Board has no debt outstanding..

INFORMATION REGARDING THE TOWNSHIP

The following material presents certain economic and demographic information of the Township.

General Information

The Township of Bordentown, in the County of Burlington (the “Township”), incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The present population according to the 2010 census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

Government Structure

The Township is governed by an elected committee (“Committee”) consisting of 5 members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System and the Police and Firemen's Retirement System.

Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System (“PERS”) or the Police and Firemen's Retirement System (“PFRS”), Department of the State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2013, which is based upon the annual billings, received from the State, amounted to \$159,707 for PERS and \$425,870 for PFRS.

Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2013	6,327	6,050	277	4.4%
2012	6,355	6,039	316	5.0%
2011	6,312	5,911	401	6.4%
2010	6,367	6,003	364	5.7%
2009	5,524	5,079	445	8.1%
<u>County</u>				
2013	239,184	220,181	19,003	7.9%
2012	241,433	219,803	21,630	9.0%
2011	240,289	218,943	21,346	8.9%
2010	242,226	220,165	22,061	9.1%
2009	241,682	221,440	20,242	8.4%
<u>State</u>				
2013	4,537,800	4,166,000	371,800	8.2%
2012	4,595,500	4,159,300	436,200	9.5%
2011	4,556,200	4,131,800	424,400	9.3%
2010	4,502,400	4,076,700	425,700	9.5%
2009	4,536,700	4,118,400	418,300	9.2%

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

Income (as of 2010)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$82,781	\$77,798	\$69,811
Median Family Income	102,388	93,982	84,904
Per Capita Income	35,091	38,537	34,858

Source: US Bureau of the Census 2010

Population

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

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2010	11,367	35.64%	448,734	5.98%	8,791,894	4.49%
2000	8,380	9.07	423,394	7.17	8,414,350	8.85
1990	7,683	7.15	395,066	8.97	7,730,188	4.96
1980	7,170	(1.82)	362,542	12.20	7,365,001	2.75
1970	7,303	--	323,132	--	7,168,164	--

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

Largest Taxpayers

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

<u>Taxpayers</u>	<u>2014</u>	<u>% of Total</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
K Johnson Urban Renewal, LLC	\$20,047,600	1.70%
Bordentown Investors LLC	14,700,000	1.25%
Bordentown Investment Thomson Tax & Accounting	13,900,000	1.18%
Mosholu Reality LLC	11,000,000	0.93%
HPT PSC Properties Trust	11,000,000	0.93%
Rock IDI Central Crossing LLC	10,675,800	0.91%
Bordentown VF LLC	9,630,500	0.82%
Hedding Hotels, LLC	7,414,500	0.63%
MIM Hayden Central Crossings	6,800,000	0.58%
Bordentown Realty LLC	<u>6,380,000</u>	<u>0.54%</u>
Total	<u>\$111,548,400</u>	<u>9.47%</u>

Source: School District CAFR & Municipal Tax Assessor

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2013	\$35,560,199	\$34,442,130	96.86%
2012	34,378,206	33,903,048	98.62%
2011	33,598,186	33,202,342	98.82%
2010	32,943,260	32,690,253	99.23%
2009	31,888,051	31,485,527	98.74%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2013	\$27,032	\$991,824	\$1,018,857	2.79%
2012	8,283	453,233	461,516	1.34%
2011	0	381,983	381,983	1.14%
2010	0	267,152	267,152	0.81%
2009	0	341,962	341,962	1.07%

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2013	\$515,200
2012	515,200
2011	515,200
2010	515,200
2009	515,200

Source: Annual Audit Reports of the Township

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

The table below lists the tax rates for the past five (5) years. This total does not include Fire District tax rates.

	Municipal			Regional	Total
<u>Year</u>	<u>Municipal</u>	<u>Open Space</u>	<u>County</u>	<u>School</u>	<u>Taxes</u>
2014	\$0.544	\$0.030	\$0.416	\$1.873	\$2.863
2013	0.549	0.030	0.414	1.826	2.819
2012A	0.522	0.030	0.436	1.767	2.755
2011	0.379	0.030	0.383	1.371	2.163
2010	0.360	0.030	0.355	1.332	2.077

A=Reassessment

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

Fire District Tax

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

	District	District
<u>Year</u>	<u>#1</u>	<u>#2</u>
2014	\$0.194	\$0.194
2013	0.199	0.179
2012A	0.171	0.173
2011	0.129	0.130
2010	0.121	0.123

A=Reassessment

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

Valuation of Property

	Aggregate Assessed	Aggregate True	Ratio of	Assessed	Equalized
<u>Year</u>	<u>Valuation of</u>	<u>Value of</u>	<u>Assessed to</u>	<u>Value of</u>	<u>Valuation</u>
	<u>Real Property</u>	<u>Real Property</u>	<u>True Value</u>	<u>Personal Property</u>	
2014	\$1,174,554,031	\$1,320,020,264	88.98%	\$3,159,995	\$1,323,180,259
2013	1,155,995,900	1,276,920,247	90.53	3,603,878	1,280,524,125
2012A	1,166,198,100	1,302,578,019	89.53	4,683,360	1,307,261,379
2011	1,482,197,500	1,398,299,528	106.00	4,524,928	1,402,824,456
2010	1,493,038,000	1,462,902,214	102.06	4,797,374	1,467,699,588

A=Reassessment

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

Classification of Ratables

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2014	\$31,600,800	\$851,703,725	\$2,047,100	\$219,945,806	\$34,548,800	\$34,707,800	\$1,174,554,031
2013	37,400,800	841,210,500	2,286,400	205,437,900	34,952,500	34,707,800	1,155,995,900
2012A	48,400,900	839,651,800	2,368,100	205,987,000	35,082,500	34,707,800	1,166,198,100
2011	63,821,300	1,057,960,900	2,748,600	269,167,600	45,462,200	43,036,900	1,482,197,500
2010	64,306,800	1,055,478,400	2,749,000	280,438,000	45,765,900	44,299,900	1,493,038,000

A=Reassessment

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

Financial Operations

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

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fund Balance	\$500,000	\$482,000	\$302,000	\$400,000	\$452,000
Miscellaneous Revenues	3,858,629	3,760,102	3,601,216	3,718,937	4,007,175
Receipts from Delinquent Taxes	330,000	267,150	375,000	445,000	842,500
Amount to be Raised by Taxes for					
Support of Municipal Budget	<u>5,405,938</u>	<u>5,624,176</u>	<u>6,118,020</u>	<u>6,371,218</u>	<u>6,408,695</u>
Total Revenue:	<u>\$10,094,567</u>	<u>\$10,133,428</u>	<u>\$10,396,236</u>	<u>\$10,935,155</u>	<u>\$11,710,370</u>
<u>Appropriations</u>					
General Appropriations	\$7,248,164	\$7,369,415	\$7,247,805	\$7,468,018	\$7,888,828
Operations	646,564	621,819	534,983	617,654	902,303
Deferred Charges and Statutory					
Expenditures	103,160	80,000	164,900	176,445	0
Judgments	10,275	12,800	25	25	25
Capital Improvement Fund	20,000	66,500	32,250	50,000	119,335
Municipal Debt Service	1,638,325	1,632,000	1,991,725	2,139,050	1,922,295
Reserve for Uncollected Taxes	<u>428,079</u>	<u>350,894</u>	<u>424,548</u>	<u>483,963</u>	<u>877,584</u>
Total Appropriations:	<u>\$10,094,567</u>	<u>\$10,133,428</u>	<u>\$10,396,236</u>	<u>\$10,935,155</u>	<u>\$11,710,370</u>

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

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

<u>Year</u>	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$887,110	\$452,000
2012	510,536	400,000
2011	346,838	302,000
2010	533,613	482,000
2009	531,817	500,000

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2013

General Purpose Debt

Serial Bonds	\$6,938,000
Bond Anticipation Notes	9,934,000
Bonds and Notes Authorized but Not Issued	7,961,795
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$24,833,795

Regional School District Debt

Serial Bonds	\$32,569,797
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$32,569,797

Self-Liquidating Debt

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

TOTAL GROSS DEBT

\$57,403,592

Less: Statutory Deductions

General Purpose Debt	\$3,279,155
Regional School District Debt	32,569,797
Self-Liquidating Debt	<u>0</u>
Total:	\$35,848,952

TOTAL NET DEBT

\$21,554,640

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2013)

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Regional School District	\$42,774,000	76.14%	\$32,569,797
Bordentown Sewerage Authority	20,266,552	78.51%	15,912,210
County	221,363,956	2.81%	<u>6,219,180</u>
Net Indirect Debt			\$54,701,187
Net Direct Debt			<u>21,554,640</u>
Total Net Direct and Indirect Debt			<u>\$76,255,827</u>

Debt Limit

Average Equalized Valuation Basis (2012, 2012, 2013)	\$1,325,932,598
Permitted Debt Limitation (3 1/2%)	46,407,641
Less: Net Debt	<u>21,554,640</u>
Remaining Borrowing Power	<u>\$24,853,001</u>
Percentage of Net Debt to Average Equalized Valuation	1.626%
Gross Debt Per Capita based on 2010 population of 11,367	\$5,050
Net Debt Per Capita based on 2010 population of 11,367	\$1,896

Source: Annual Debt Statement of the Township

¹ Township percentage based on the Township's share of total equalized valuation in the County

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE FIRE DISTRICT
FOR YEAR ENDED DECEMBER 31, 2013**

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners
Bordentown Township Fire District No. 1
51 Groveville Road
Yardville, New Jersey 08620

Report on the Financial Statements

I have audited the accompanying financial statement of the governmental activities and the general fund of Bordentown Township Fire District No. 1, County of Burlington, State of New Jersey, as of December 31, 2013 and 2012, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Bordentown Township Fire District No. 1 as of December 31, 2013 and 2012, and the respective changes in financial position, the results of its operations for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

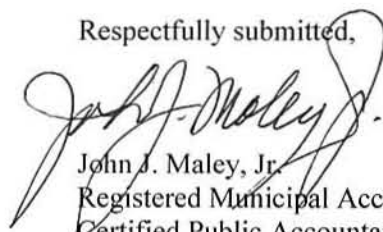
Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated May 21, 2014 on my consideration of the Bordentown Township Fire District No. 1's internal control structure over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The District's internal control over financial reporting and compliance.

Respectfully submitted,



John J. Maley, Jr.
Registered Municipal Accountant
Certified Public Accountant

May 21, 2014

Bordentown Township Fire District No. 1
Governmental Funds Balance Sheet / Statement of Net Position
December 31, 2013

	General Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Below)	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 77,031.33	\$ -	\$ 77,031.33	\$ -	\$ 77,031.33
Cash - Reserved for Retirement Benefits	24,730.92	-	24,730.92	-	24,730.92
Cash - Reserved for Capital Projects	-	107,130.60	107,130.60	-	107,130.60
Cash held by fiscal agent	6,923.41	-	6,923.41	-	6,923.41
Capital assets, net of accumulated depreciation	-	-	-	625,724.30	625,724.30
Total assets	108,685.66	107,130.60	215,816.26	625,724.30	841,540.56
LIABILITIES					
Accounts payable	22,553.69	-	22,553.69	-	22,553.69
Capital Leases Payable:					
Due Within One Year			-	43,361.75	43,361.75
Due Beyond One Year			-	121,025.10	121,025.10
Total liabilities	22,553.69	-	22,553.69	164,386.85	186,940.54
FUND BALANCES					
Restricted:					
For Appropriation Reserves	19,647.58	-	19,647.58	(19,647.58)	-
Committed:					
Assigned:					
For OPEB	24,730.92	-	24,730.92	(24,730.92)	-
For Future Capital Outlays	-	107,130.60	107,130.60	(107,130.60)	-
Unassigned:					
General Fund	41,753.47	-	41,753.47	(41,753.47)	-
Total Fund Balances	86,131.97	107,130.60	193,262.57	(193,262.57)	-
Total Liabilities and Fund Balance	\$ 108,685.66	\$ 107,130.60			
NET POSITION					
Invested in capital assets, net of related debt				461,337.45	461,337.45
Restricted - Appropriation Reserves				19,647.58	19,647.58
Restricted - Future Capital Outlays				107,130.60	107,130.60
Unrestricted				66,484.39	66,484.39
Total Net Position				\$ 654,600.02	\$ 654,600.02

ADJUSTMENTS

Amounts reported for governmental activities in the statement of net position (Above) are different because:

Fund Balance (above)	193,262.57
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 1,675,687.00, and the accumulated depreciation is \$1,049,962.70. (See Note 3)	625,724.30
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 4)	(164,386.85)
Net position of governmental activities	\$ 654,600.02

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

Bordentown Township Fire District No. 1
Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balance / Statement of Activities
For the Year Ended December 31, 2013

	General Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Below)	Statement of Activities
REVENUES					
Local Sources:					
District Taxes	\$ 710,659.00	\$ -	\$ 710,659.00	\$ -	\$ 710,659.00
State Sources:					
Supplemental Fire Services	1,566.00	-	1,566.00	-	1,566.00
Miscellaneous Revenues:					
Fire Code	77,976.91	-	77,976.91	-	77,976.91
Other Revenue	6,009.20	-	6,009.20	-	6,009.20
Interest on Deposits and Investments	68.25	142.01	210.26	-	210.26
Interest on OPEB Reserve	17.71	-	17.71	-	17.71
Heritage Grant	-	-	-	-	-
Total Revenues	<u>796,297.07</u>	<u>142.01</u>	<u>796,439.08</u>	<u>-</u>	<u>796,439.08</u>
EXPENDITURES/EXPENSES					
Operating and Maintenance					
Salaries and Wages	291,937.75	-	291,937.75	-	291,937.75
Other Expenses	371,530.23	-	371,530.23	-	371,530.23
Heritage Grant	-	-	-	-	-
Debt service					
Principal	41,539.91	-	41,539.91	(41,539.91)	-
Interest	8,042.53	-	8,042.53	-	8,042.53
Depreciation	-	-	-	69,691.18	69,691.18
Total Expenditures/Expense	<u>713,050.42</u>	<u>-</u>	<u>713,050.42</u>	<u>28,151.27</u>	<u>741,201.69</u>
Excess (Deficiency) of revenues over expenditures	83,246.65	142.01	83,388.66	(83,388.66)	-
OTHER FINANCING SOURCES (USES)					
Transfers	(30,000.00)	30,000.00	-	-	-
Excess (Deficiency) of revenues and transfers in over expenditures and transfers (out)	53,246.65	30,142.01	83,388.66	(83,388.66)	-
Change in net position	-	-	-	55,237.39	55,237.39
Fund Balances/Net Position					
Beginning of the Year	32,885.32	76,988.59	109,873.91	-	599,362.63
End of the Year	<u>\$ 86,131.97</u>	<u>\$ 107,130.60</u>	<u>\$ 193,262.57</u>	<u>\$ -</u>	<u>\$ 654,600.02</u>

ADJUSTMENTS

Total net change in fund balance - governmental funds (Above)	83,388.66
Repayment of bond principle and capital leases are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets and are not reported in the statement of activities.	
Bond Principle	41,539.91
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation Expense	(69,691.18)
Change in net position of governmental activities	<u>\$ 55,237.39</u>

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

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Fire Commissioners (the "Board") of the Bordentown Township Fire District No. 1 (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. As a result, this Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance by codifying all sources of generally accepted accounting principles for state and local governments into a single source. The adoption of the Codification, which became effective July 1, 2012, did not have a significant effect on the financial statements.

Effective December 1, 2012 the District implemented the general provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources and Net Position*. This statement amends the net position reporting requirements in GASB Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The implementation of GASB No. 63 did not have a significant effect on the financial statements.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB No. 65 did not have a significant effect on the financial statements.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to provide fire protection to a specific area of the Township of Bordentown. The Board of Fire Commissioners consists of elected officials and is responsible for the fiscal control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include a portion of Bordentown Township. There were no additional entities required to be

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basic Financial Statements – Statement of Net Position and Statement of Activities

The District's basic financial statements include columns to report government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) in lieu of separate financial statements.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund- The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Capital Projects Fund- The capital projects fund is used to account for all financial resources to be used for the acquisition and construction of capital facilities and other capital assets.

In the combined Governmental Funds/Statement of Net Position and the combined Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/Statement of Activities, the Statement of Net Position and the Statement of Activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

C. Measurement of Focus, and Financial Statement Presentation

The basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and are reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual:

In the combined financial statements, the Statement of Net Position column and of the Statement of Activities columns, financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

The modified accruals basis of accounting is used for measuring financial position and operating results of all governmental fund. Under the modified accrual basis of accounting, revenues are recognized when they

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on long-term debt which are recorded when due.

Property Taxes:

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to the district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable"

D. Inventories and Prepaid Expenses

The cost of inventory items and prepaid expenses are recorded as expenditures in the governmental fund types. In the enterprise fund, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

E. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental columns in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Donated capital assets are valued at their estimated fair market value on the date received.

Capital assets are reflected as expenditures in the governmental fund. Capital outlays, which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Depreciation of all assets is provided using the straight-line basis over the following estimated useful lives:

Building & Building Improvements	40 years
Fire Vehicles	20 years
Machinery and Equipment	5 years

F. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing issues. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

G. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition construction or improvement of those assets. Assets restricted for capital projects include unexpended bond proceeds reduced by an equal amount of debt outstanding. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

H. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

The term “enabling legislation” means legislation that authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes defined in the legislation. Legal enforceability means that the government can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriation reserves represent unexpended balances of appropriations, except for amounts, which may be canceled by the governing body. Appropriation reserves are restricted, until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. In the statement of net position, appropriation reserves are legally imposed restrictions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Board of Fire Commissioners. Those committed amounts cannot be used for any other purpose unless Board of Fire Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Fire Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Fire Commissioners or a District official delegated that authority by resolution or policy of the Board.

I. Budgets/Budgetary Control

Annual appropriated budgets are prepared each year. The budgets are submitted to the Division of Local Government Services and are voted upon at the annual election on the third Saturday in February. Budgets are prepared in accordance with statute, which does not differ significantly from budgets prepared in accordance with GAAP. Limited budget amendments may be made during the last two months of the year with Board approval.

J. Encumbrances

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

The encumbered appropriation authority carries over into the next fiscal year as appropriation reserves. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes amounts on deposit, certificates of deposit and short term investments with original maturities of three months or less.

Investments 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 the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities, which may be purchased by New Jersey municipal units.

The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include Savings and Loan Institutions, banks (both State and National Banks) and savings banks where deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 5% 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 full amount of their deposits to the government units.

As of December 31, 2013, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Investments	Total
Demand and Time Deposits	\$ 208,893	\$ -	\$ 208,893
Cash Held by Fiscal Agent	6,923	-	6,923
	<u>\$ 215,816</u>	<u>\$ -</u>	<u>\$ 215,816</u>

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk; however, the District's deposits do not normally exceed FDIC protected amounts.

The carrying amount of the District's deposits with financial institutions at December 31, 2013 was \$215,816 and the bank balance was \$216,416. The bank balance was fully covered by federal depository insurance.

Interest Rate Risk: Interest rate is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure; however, investments are matched with anticipated cash flows to minimize interest rate risk, when funds are invested.

BORDENTOWN TOWNSHIP FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no policy on credit risk.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer.

Note 3: CAPITAL ASSETS

The following is a summarization of the changes in capital assets by source for the year ended December 31, 2013:

	Primary Government		
	Balance 12/31/12	Additions	Balance 12/31/13
Land	13,300		13,300
Building & Building Improv.	422,817		422,817
Vehicles	1,216,850		1,216,850
Equipment	22,720		22,720
Total Capital Assets	1,675,687	-	1,675,687
Less Accumulated Depreciation for: Build/Veh/Equip	(980,272)	(69,691)	(1,049,963)
Capital Assets, Net	695,415	(69,691)	625,724

Note 4: LONG-TERM DEBT

During the fiscal year ended December 31, 2013 the following changes occurred in liabilities reported in long-term debt:

	Balance 12/31/12	Increased	Retired	Balance 12/31/13	Amount Due Within One Year
Capital Lease:					
2006 E-1 Puma Pumper	\$ 205,927	\$ -	\$ 41,540	\$ 164,387	\$ 43,362
					-
Total	\$ 205,927	\$ -	\$ 41,540	\$ 164,387	\$ 43,362

In accordance with the provisions of the 2006 lease, payments are made monthly and finally mature July 1, 2017.

BORDENTOWN TOWNSHIP FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 4: LONG-TERM DEBT- (Continued)

Future minimum lease payments along with the present value of the minimum lease payments as of December 31, 2013 are:

<u>December 31,</u>	<u>2006</u>
2014	49,582.44
2015	49,582.44
2016	49,582.44
2017	<u>28,923.09</u>
Total Minimum Lease Payment	177,670.41
Less: Amount Representing Interest	<u>13,283.56</u>
Present Value of Lease Payment	<u><u>164,386.85</u></u>

As of December 31, 2013 the District had no authorized but not issued bonds.

Note 5: PENSION PLAN

Employees of the Fire District are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employee's Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These two plans are sponsored and administered by the State of New Jersey.

Public Employee's Retirement System (PERS) -established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system.

Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Police and Firemen's Retirement System (PFRS) - established in June 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 5: PENSION PLAN (Continued)

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employee's annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and PFRS.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and non-contributory death benefits in the PERS and PFRS. In PERS, the employer contribution includes funding for post-retirement medical premiums.

The Fire District's contributions for the last three calendar years were as follows:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Employer Contributions Amount</u>	<u>Percent of Covered Payroll</u>	<u>Employer Contributions Amount</u>	<u>Percent of Covered Payroll</u>
2013	\$ 1,962	11.02%	\$ 60,126	25.07%
2012	\$ 1,950	11.14%	\$ 52,999	21.74%
2011	\$ 1,934	11.05%	\$ 54,601	23.26%

Note 6: POST-RETIREMENT HEALTH BENEFIT

Plan Description: The Bordentown Township Fire District No. 1 contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Bordentown Township Fire District No. 1 does not have a resolution on file authorizing participation in the SHBP's post-retirement benefit program although it is the intention of the District to provide such benefits. Full-time employees who are at least 62 years of age and who have 15 total years of service with Bordentown Township Fire District No. 1, or have 25 years of total years of service with Bordentown Township Fire

BORDENTOWN TOWNSHIP'S FIRE DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 6: POST-RETIREMENT HEALTH BENEFIT (Continued)

District No. 1 will upon retirement from Bordentown Township Fire District No. 1 be entitled to full medical and dental coverage for by the District. If the retiree is married, the coverage will cover the cost of "employee and spouse".

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

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

Contributions to pay for the health premiums of participating retirees in the SHBP will be billed to the Bordentown Township Fire District No. 1 on a monthly basis.

The Bordentown Township Fire District No. 1 had no retirees entitled to post-retirement medical benefits for the years ended December 31, 2013, 2012, and 2011. All SHBP contributions for the three years ended December 31, 2013, 2012, and 2011 were paid equal to the annually required amounts.

Note 7: RISK MANAGEMENT

The District 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. The District maintains commercial insurance for property, liability, and surety bonds.

Property and Liability Insurance - The District maintains commercial insurance for property, liability, and surety bonds.

Note 8: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

During 2003 the District chose to elect to cover its employees under the New Jersey Unemployment Trust Fund by the "contributions" method. Under this method, a contribution rate is established annually for the Fire District share of unemployment tax. This rate is based on cost experience for all government employers.

Note 9: FUND BALANCE

The fund balance in the general fund at December 31, 2013 totaled \$86,132. Of that amount, \$19,648 is restricted for appropriation reserves, \$24,731 is assigned for future OPEB benefits, and \$41,753 is unassigned.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL



April __, 2015

The Commissioners of Fire District No. 1,
in the Township of Bordentown,
County of Burlington, New Jersey
51 Groveville Road
Yardville, New Jersey

**RE: \$1,960,000 THE COMMISSIONERS OF FIRE DISTRICT NO. 1, IN THE
TOWNSHIP OF BORDENTOWN, COUNTY OF BURLINGTON, NEW
JERSEY, GENERAL OBLIGATION BONDS, SERIES 2015**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds"), by The Commissioners of Fire District No. 1, in the Township of Bordentown, County of Burlington, New Jersey ("Board" when referring to the governing body and "Fire District" when referring to the legal entity governed by the Board).

The Bonds are being issued pursuant to: (i) Title 40A, Chapter 14, Section 70 *et seq.*, of the New Jersey Statutes, as amended and supplemented ("Fire District Law"); and (ii) a resolution duly adopted by the Board on March 12, 2015 ("Resolution"); and (iii) a Certificate of Determination and Award dated March 25, 2015 ("Award Certificate"). The Bonds are authorized by a proposal duly adopted by the Board on October 2, 2014 ("Proposal") and approved by the legal voters of the Fire District at the annual election held on December 13, 2014.

The Bonds are dated their date of delivery and mature on January 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, 2016, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$70,000	%	2026	\$100,000	%
2017	75,000		2027	105,000	
2018	80,000		2028	110,000	
2019	85,000		2029	115,000	
2020	90,000		2030	120,000	
2021	95,000		2031	125,000	
2022	95,000		2032	130,000	
2023	95,000		2033	135,000	
2024	95,000		2034	140,000	
2025	100,000				



The Bonds are issuable 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 set forth therein.

The Bonds are being issued to provide funds that will be used to: (i) permanently finance the cost of the capital improvements set forth in the Proposal; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

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

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

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

2. For the payment of principal of and interest on the Bonds, the Fire District 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 Fire District without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and is not a specific item of tax preference item under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the "adjusted current earnings" of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).



Interest on tax-exempt obligations, including the Bonds, is not excludable in calculating certain corporation's "adjusted current earnings." Accordingly, a portion of the interest on the Bonds received or accrued by a corporation that owns the Bonds is included in computing such corporation's alternative minimum taxable income for such year.

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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section



265(b)(3) of the Code. The Fire District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

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

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

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

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of April, 2015 by and between The Commissioners of Fire District No. 1, in the Township of Bordentown, County of Burlington, New Jersey ("Fire District") and Phoenix Advisors, LLC, Bordentown, New Jersey ("Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the Fire District of its General Obligation Bonds, Series 2015, in the aggregate principal amount of \$1,960,000 ("Bonds").

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

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

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

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

"Continuing Disclosure Information" shall mean: (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.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

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

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

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

SECTION 3. Provision of Annual Report.

(a) The Fire District shall not later than 270 days after the end of its fiscal year (currently December 31) during which any of the Bonds remain Outstanding provide to the Dissemination Agent the Fire District's Annual Report prepared for the preceding fiscal year of the Fire District. Each Annual Report provided to the Dissemination Agent by the Fire District 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 SEC.

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

(c) If the Fire District fails to provide the Annual Report to the Dissemination Agent by the dates required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Fire District advising of such failure. Whether or not such notice is given or received, if the Fire District 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 to the National Repository in substantially the form attached as Exhibit "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Fire District's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, dated April __, 2015 ("Official Statement"), audited by an independent certified public accountant, provided that the annual audited financial statements of the Fire District 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 Fire District are included in the Annual Report; and (ii) the general financial information and operating data of the Fire District consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the New Jersey Department of Education as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

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

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

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

SECTION 6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Fire District is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Fire District and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Fire District, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially

impair the interests of Bondholders. The Fire District shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Fire District 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 Fire District 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 Fire District to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Bondholder may (and, at the written request of Bondholders of at least twenty-five percent (25%) of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Fire District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Fire District to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the Fire District to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds.

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 Fire District:

The Commissioners of Fire District No. 1,
in the Township of Bordentown,
County of Burlington, New Jersey
51 Groveville Road
Yardville, New Jersey
Attention: John Kinsley, Chairman

- (ii) If to the Dissemination Agent:

Phoenix Advisors, LLC
4 West Park Street
Bordentown, New Jersey 08505
Attention: Compliance Department

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 Fire District, 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 Fire District 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 Fire District, 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.

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

By: _____
JOHN KINSLSEY, Chairman

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

By: _____
DAVID B. THOMPSON, Chief Executive Officer

EXHIBIT A

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

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

Name of Bond Issues Affected: \$1,960,000 General Obligation Bonds, Series 2015

Date of Issuance of the Affected Bond Issue: April, 2015

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 April __, 2015, between the Fire District 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,
Dissemination Agent**

cc: Fire District