

**TOWNSHIP OF CHERRY HILL,
County of Camden, New Jersey**

**NOTICE OF A \$31,406,627 BOND ANTICIPATION NOTE SALE,
CONSISTING OF:
A \$26,349,850 GENERAL CAPITAL BOND ANTICIPATION NOTE AND
A \$5,056,777 SEWER CAPITAL BOND ANTICIPATION NOTE**

Pursuant to the Preliminary Official Statement dated October 3, 2017, proposals for the \$31,406,627 Bond Anticipation Notes, Series 2017, consisting of a \$26,349,850 General Capital Bond Anticipation Note and a \$5,056,777 Sewer Capital Bond Anticipation Note (collectively, the "Notes") will be received on **Tuesday, October 10, 2017 (the "Bid Date") until 11:00 a.m.** electronically (via Parity®) in the manner described below under the heading "Procedures Regarding Electronic Bidding".

Each bid must offer to purchase the entire Note issue being offered at a price of not less than par and must specify a single rate of interest offered for the Notes. Interest shall be calculated on a 30-day month/360-day year basis. The Chief Financial Officer expects to award the Notes to the bidder specifying the lowest net interest payable by the Township. However, the Chief Financial Officer reserves the right to reject all bids or to award the Notes to a bidder other than the lowest bidder. The bidder, by submitting a bid agrees to accept the determination of the Chief Financial Officer.

SPECIFICATIONS OF BOND ANTICIPATION NOTES

Principal Amount	\$31,406,627
Dated	October 17, 2017
Maturity Date	October 16, 2018
Interest Rate Per Annum	Specified by successful bidder
Tax Matters	Federal and State tax exempt
Bank Qualified	No
Legal Opinion	McManimon, Scotland & Baumann, LLC, Roseland, NJ
Paying Agent	The Township will act as paying agent
Closing	
a. date	October 17, 2017
b. location	McManimon, Scotland & Baumann, LLC, 75 Livingston Avenue, 2 nd Floor, Roseland, New Jersey or at such other place as agreed to by the Chief Financial Officer
Denominations	\$5,000 or any integral multiple of \$1,000 in excess thereof (or a necessary odd lot amount)

Payment

Immediately available funds received prior to 11:00 a.m. on the date of closing

The Notes will be noncallable general obligations of the Township payable ultimately from *ad valorem* taxes levied upon all the taxable property within the Township to the extent that payment is not otherwise provided.

In the event the Township receives at least three (3) bids for the Notes, then the "Issue Price" for the Notes shall be established based on the reasonably expected initial offering price of the Notes as of the Bid Date (the "Expected Offering Price"). The Expected Offering Price shall consist of the price of the Notes used by the winning bidder in formulating its bid to purchase the Notes. The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the Township, in writing, the Expected Offering Price as of the Bid Date.

In the event the Township receives fewer than three (3) bids for the Notes, then the "Issue Price" for the Notes shall be established based on the first price at which at least 10% of the Notes was sold to the Public (as defined below). The winning bidder shall be required to deliver on the closing date a certificate to such effect, and provide to the Township, in writing, evidence satisfactory to Bond Counsel to the Township of such sales price for the Notes. In the event that the winning bidder has not sold at least 10% of the Notes to the Public as of the closing date, the winning bidder shall (i) provide to the Township, in writing, on the closing date, the Expected Offering Price for the Notes as of the Bid Date and a certificate regarding same and (ii) have a continuing obligation to provide to the Township, in writing, evidence satisfactory to Bond Counsel to the Township of the first price at which at least 10% of the Notes is sold to the Public, contemporaneous with such sale.

Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. Underwriter means (i) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

At delivery of the Notes, the Township will furnish to the winning bidder customary closing documents, including (1) a certificate executed by the officials who execute the Notes stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or the delivery of the Notes or the levy or collection of taxes to pay the principal of or interest due on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or the levy or the collection of taxes, or affecting the validity of the Notes or the levy or the collection of taxes, and (2) the approving legal opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township.

Procedure Regarding Electronic Bidding

Bids may be submitted electronically via PARITY® in accordance with this Notice of Sale, until 11:00 a.m., New Jersey time on the Bid Date, but no bid will be received after the time for receiving bids

specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY[®], potential bidders may contact the Township's Financial Advisor, Brittany M. Whelan, Acacia Financial Group, Inc., telephone number: (856) 234-2266, email address: bwhelan@acaciafin.com or PARITY[®] at (212) 404-8102. In the event that a bid for the Notes is submitted via PARITY[®], the bidder further agrees that:

1. The Township may regard the electronic transmission of the bid through PARITY[®] (including information about the purchase price of the Notes, the interest rate or rates to be borne of the Notes and any other information included in such transmission) as though the same information were submitted on the Proposal for Notes provided by the Township and executed and submitted by a duly authorized representative of the bidder. If the bid submitted electronically via PARITY[®] is accepted by the Township, the terms of the bid for the Notes and this Notice of Sale, as well as the information that is electronically transmitted through PARITY[®], shall form a contract and the Successful Bidder(s) shall be bound by the terms of such contract.

2. PARITY[®] is not an agent of the Township, and the Township shall have no liability whatsoever based on any bidder's use of PARITY[®], including but not limited to any failure by PARITY[®] to correctly or timely transmit information provided by the Township or information provided by the bidder.

3. The Township may choose to discontinue use of electronic bidding via PARITY[®] by issuing a notification to such effect via Thomson News Service ("TM3") no later than 3:00 p.m. (New Jersey time) on the last business date prior to the Bid Date.

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

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

CUSIP Number

It shall be the responsibility of the winning bidder to have a CUSIP identification number, if required, issued for the Notes. The request for the assignment of the CUSIP identification number and the CUSIP Service Bureau charge therefor shall be the responsibility of and shall be paid for by the winning bidder. The CUSIP number must be communicated to McManimon, Scotland & Baumann, LLC, Bond Counsel

to the Township, within 24 hours of the award of the Notes in order to have the CUSIP number printed on the Notes. Only one CUSIP identification number will be required to the entire Note issue.

Preliminary Official Statement

A Preliminary Official Statement has been prepared in connection with the Notes by the Township and is "deemed final" in accordance with Rule 15c2-12 of the Securities and Exchange Commission. The winning bidder shall be responsible for providing a reoffering yield within 24 hours of award, which yield will appear on the front cover of the Preliminary Official Statement. A copy of the Preliminary Official Statement is being distributed along with the Notice of Sale.

Michelle Samalonis, Chief Financial Officer
Dated: October 3, 2017

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 3, 2017

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township (as defined herein), pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes (as defined herein) is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. It is also the opinion of Bond Counsel, that interest on the Notes held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. In addition, in the opinion of Bond Counsel, interest on and any gain from the sale of the Notes is not includable as gross income under the New Jersey Gross Income Tax Act. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the Township in its Tax Certificate (as defined herein), assume continuing compliance by the Township with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

NEW ISSUE

**TOWNSHIP OF CHERRY HILL
County of Camden, New Jersey**

\$31,406,627 BOND ANTICIPATION NOTES, SERIES 2017

**Consisting of a
\$26,349,850 General Capital Bond Anticipation Note and a
\$5,056,777 Sewer Capital Bond Anticipation Note
(Noncallable)**

Dated: October 17, 2017

Maturing: October 16, 2018

Rate of Interest: _____% per annum

Re-offering Yield: _____%

The \$31,406,627 Bond Anticipation Notes, Series 2017, consisting of a \$26,349,850 General Capital Bond Anticipation Note and a \$5,056,777 Sewer Capital Bond Anticipation Note (collectively, the "Notes") of the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township"), will be issued in the form of one certificate for the aggregate principal amount of each series listed above and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Notes. Individual purchases of beneficial ownership interests in the Notes will be made in book-entry form (without certificates) on the records of DTC and Participants (as defined herein) in the principal amount of \$5,000 or any integral multiple of \$1,000 (or such odd lot amount) in excess thereof. Beneficial owners of the Notes will not receive certificates representing their ownership interests in the Notes. As long as Cede & Co. is the registered owner of the Notes, as nominee for DTC, reference in this Official Statement to the registered owner shall mean Cede & Co., and not the beneficial owners of the Notes. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business on October 15, 2018 (the "Record Date"). See "THE NOTES - Book-Entry-Only System" herein.

The principal of and interest on the Notes will be paid on October 16, 2018 to DTC by the Township who will act as Paying Agent.

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

The Notes are not subject to redemption prior to maturity.

The Notes are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by Bond Counsel to the Township, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as financial advisor in connection with the issuance of the Notes. Certain legal matters will be passed upon by the Township by its Solicitor, Robert N. Wright Jr., Esq., Cherry Hill, New Jersey, and delivery of the Notes is further subject to certain other conditions set forth herein. *Delivery is anticipated to be through the facilities of DTC in New York, New York, on or about October 17, 2017.*

**BIDS WILL BE RECEIVED IN ACCORDANCE WITH THE TERMS OF THE NOTICE OF SALE
UNTIL 11 O'CLOCK A.M. ON TUESDAY, OCTOBER 10, 2017
ELECTRONICALLY VIA THE PARITY ELECTRONIC BID SUBMISSION SYSTEM
("PARITY") OF i-DEAL LLC ("i-DEAL") AS SET FORTH IN THE NOTICE OF SALE**

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

TOWNSHIP OF CHERRY HILL

Mayor and Township Council

Charles Cahn, Mayor
David Fleisher, Council President
Sara Lipsett, Council Vice-President
Jim Bannar
Brian Bauerle
Melinda Kane
Carole Roskoph
Carolyn Jacobs

Chief Financial Officer

Michelle Samalonis

Township Administrator

Lenore Rosner

Township Clerk

Nancy L. Saffos

Solicitor

Robert N. Wright Jr., Esq.

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

Municipal Advisor

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Township. 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Township and other sources that are deemed to be reliable.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any Notes.

All quotations from summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. This information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes shall under any circumstances create any implication that there has been no change in the affairs of the Township since the date hereof.

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OFFICIAL STATEMENT

RELATING TO

TOWNSHIP OF CHERRY HILL
County of Camden, New Jersey

\$31,406,627 BOND ANTICIPATION NOTES, SERIES 2017
Consisting of a
\$26,349,850 General Capital Bond Anticipation Note and a
\$5,056,777 Sewer Capital Bond Anticipation Note

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, has been prepared to provide information with respect to the issuance of \$31,406,627 Bond Anticipation Notes, Series 2017, consisting of a \$26,349,850 General Capital Bond Anticipation Note (the "General Capital Note") and a \$5,056,777 Sewer Capital Bond Anticipation Note (the "Sewer Capital Note" and, together with the General Capital Note, the "Notes") of the Township of Cherry Hill, County of Camden, State of New Jersey (the "Township"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes. 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 NOTES

Proceeds from the sale and issuance of the General Capital Note will be used by the Township to (i) provide new money to temporarily finance the costs of various general capital improvements described below in the amount of \$4,865,884, (ii) currently refund \$21,483,966 of the Township's \$22,227,902 General Capital Bond Anticipation Note, dated and issued on October 19, 2016 and maturing on October 18, 2017 (the "Prior General Capital Note") (together with a \$743,936 principal reduction payment) and (iii) provide for the costs associated with the authorization, sale and issuance of the General Capital Note.

Proceeds from the sale and issuance of the Sewer Capital Note will be used by the Township to (i) provide new money to temporarily finance various sewer utility capital improvements described below in the amount of \$1,064,782, (ii) currently refund \$3,991,995 of the Township's \$4,024,740 Sewer Capital Bond Anticipation Note, dated and issued on October 19, 2016 and maturing on October 18, 2017 (the "Prior Sewer Capital Note") (together with a \$32,745 principal reduction payment) and (iii) provide for the costs associated with the authorization, sale and issuance of the Sewer Capital Note.

The improvements to be financed from the proceeds of the General Capital Note (exclusive of amounts required to currently refund the Prior General Capital Note), include the following:

General Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$57,234	10-08	Various Equipment and Upgrades, and Various Improvements to PW, Code Enforcement and Comm.
29,957	11-08	Municipal/Police Department Equipment, IT, Parks, Vehicles
63,410	11-09	Improvements, Sidewalks, Drainage

General Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$142,321	11-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
74,884	11-28	Road and Sidewalk Improvements, Storm Drainage and Bank Stabilization Projects
282,379	12-26	Road and Sidewalk Improvements, Storm Drainage Projects
124,636	12-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
467,225	13-28	Sidewalk and Trail Projects Improvements
314,307	13-29	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
585,909	14-17	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
465,722	15-18	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings
<u>2,257,900</u>	16-16	Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Projects
<u>\$4,865,884</u>		

The amounts required to currently refund the Prior General Capital Note include the following:

General Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$26,288	06-09	Open Space and Recreational Purposes
11,022	07-02	Equipment and Vehicles for Police, IT, Park, and Recreation
61,150	08-02	Improvements to Buildings, Parks and Recreation Sites
131,425	09-10	Various Equipment and Upgrades, and Various Improvements to Parks, Building and Recreation Sites
308,435	10-08	Various Equipment and Upgrades, and Various Improvements to PW, Code Enforcement and Comm.
376,622	10-09	Road Improvement, Traffic Signal, Sidewalk Projects, and Park Improvements

General Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$363,413	11-08	Municipal/Police Department Equipment, IT, Parks, Vehicles
468,253	11-09	Improvements, Sidewalks, Drainage
888,336	11-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
595,331	11-28	Road and Sidewalk Improvements, Storm Drainage and Bank Stabilization Projects
3,106,895	12-26	Road and Sidewalk Improvements, Storm Drainage Projects
1,369,923	12-27	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
2,679,415	13-28	Sidewalk and Trail Projects Improvements
1,276,158	13-29	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
2,148,300	14-17	Equipment and Vehicle Purchases, Various Improvements to Parks, Recreation Sites and Buildings
2,383,000	14-18	Road and Sidewalk Improvements, Storm Drainage Projects
215,000	15-18	Equipment and Various Improvements to Parks, Recreation Sites and Buildings, and Improvements to Various Municipally-Owned Buildings
<u>5,075,000</u>	15-19	Road Improvements, Sidewalk Improvements and Traffic Signals
<u>\$21,483,966</u>		

The improvements to be financed from the proceeds of the Sewer Capital Note (exclusive of amounts required to currently refund the Prior Sewer Capital Note) include the following:

Sewer Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$22,375	06-05	Various Sanitary Sewer Improvements
43,918	07-01	Various Sanitary Sewer Improvements
91,677	09-08	Various Sanitary Sewer Improvements
28,370	10-07	Various Sanitary Sewer Improvements
165,913	11-07	Various Sanitary Sewer Improvements
166,566	11-29	Various Sanitary Sewer Improvements
64,753	12-28	Various Sanitary Sewer Improvements
8,450	13-30	Various Sanitary Sewer Improvements and Equipment Purchases
<u>472,760</u>	15-20	Misc. Sanitary Sewer Improvements
<u>\$1,064,782</u>		

The amounts required to currently refund the Prior Sewer Capital Note include the following:

Sewer Capital:

<u>Aggregate Amount of Notes</u>	<u>Ordinance Number</u>	<u>Description of Ordinance</u>
\$63,025	06-05	Various Sanitary Sewer Improvements
40,459	07-01	Various Sanitary Sewer Improvements
235,822	09-08	Various Sanitary Sewer Improvements
134,703	10-07	Various Sanitary Sewer Improvements
1,162,139	11-07	Various Sanitary Sewer Improvements
666,197	11-29	Various Sanitary Sewer Improvements
1,014,416	12-28	Various Sanitary Sewer Improvements
<u>675,234</u>	13-30	Various Sanitary Sewer Improvements and Equipment Purchases
<u>\$3,991,995</u>		

AUTHORIZATION FOR THE NOTES

The Township is authorized to issue the Notes pursuant to the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (the "Local Bond Law") and the bond ordinances of the Township set forth above, each in all respects duly approved and published in accordance with the Local Bond Law.

THE NOTES

General Description

The Notes comprise an issue in the aggregate principal amount of \$31,406,627, will be dated October 17, 2017, will mature October 16, 2018, and will bear interest, calculated on the basis of a 360-day year of twelve 30-day months, at the rate per annum set forth on the cover page hereof. The Notes may be purchased in book-entry only form in the amount of \$5,000 or any integral multiple of \$1,000 (or a necessary odd lot amount) in excess thereof through book entries made on the books of The Depository Trust Company ("DTC"), New York, New York, and its participants. So long as DTC, or its nominee Cede & Co. (or any successor or assign) is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township directly to Cede & Co. (or any successor or assign) as the nominee of DTC. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of the close of business on October 15, 2018 (the "Record Date" for the payment of interest on the Notes).

Redemption Provisions

The Notes are not subject to redemption prior to their stated maturity.

Book-Entry-Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as each such terms is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the

¹ Source: The Depository Trust Company

Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of each series of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

THE TOWNSHIP 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 NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

SECURITY FOR THE NOTES

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

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating. The Township has not exceeded its statutory debt limit.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the bond anticipation notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

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

The Township is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

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

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

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

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

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

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

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

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

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

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

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Sewer Utility Budget

The Township's public sewer utility is supported, in addition to the general taxing power upon real property, by the revenues generated by the operations of the utility. A separate budget is established for the utility. The anticipated revenues and appropriations for the utility are set forth in a budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and

must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended June 30, 2016 for the Township is on file with the Clerk and is available for review during business hours.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. The last complete revaluation of property within the Township was for the year 2013. Cherry Hill Township's present assessment ratio is 92.95%

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

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

Tax Appeals

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

INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains compiled financial statements for the fiscal year ended June 30, 2017 and audited financial statements of the Township for the fiscal years ended June 30, 2016, 2015, 2014 and 2013. Copies of the complete Reports of Audit may be obtained upon request to the office of the Township Clerk and are available on the Township's website www.cherryhill-nj.com.

LITIGATION

Upon delivery of the Notes, the Township shall furnish an opinion of its Solicitor, Robert N. Wright Jr., Esquire, Cherry Hill, New Jersey, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition such opinion is subject to exceptions, if any, and shall state that, to the Solicitor's knowledge and information, there is no litigation of any nature now pending by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes and other revenues for the payment of the Notes. In so doing, legal opinions of the Township Solicitor or a former Township Solicitor may be relied upon.

TAX MATTERS

General

Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") provides that interest on obligations such as the Notes is not included in gross income for federal income tax purposes only if certain requirements are met. In its Arbitrage and Tax Certificate (the "Tax Certificate"), which will be delivered in connection with the issuance of the Notes, the Township will make certain representations, certifications of fact, and statements of reasonable expectation in connection with the issuance of the Notes and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Notes from gross income under Section 103(a) of the Code.

In the opinion of Bond Counsel, under existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact, and statements of reasonable expectation made by the Township in the Tax Certificate and assuming compliance by the Township with its ongoing covenants in the Tax Certificate, interest on the Notes is not included in the gross income of the owners thereof for federal income tax purposes pursuant to the Section 103(a) of the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Interest on the Notes held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax imposed on corporations as a result of interest on the Notes being included in "adjusted current earnings."

Certain Federal Tax Consequences Relating to the Notes

Although interest on the Notes is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Notes may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Notes.

There can be no assurance that legislation will not be introduced or enacted after the issuance and delivery of the Notes so as to affect adversely the exclusion from gross income for federal income tax purposes of interest on the Notes. Each purchaser of the Notes should consult his or her own advisor regarding any changes in the status of pending or proposed federal tax legislation.

Bank Qualification

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

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

IRS Circular 230 Disclosure

To ensure compliance with requirements imposed by the Internal Revenue Service, any purchaser of the Notes is hereby informed that (i) any U.S. federal tax advice contained in this offering material (including any attachments) is not intended or written by Bond Counsel to the Township to be used, and that it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Code; (ii) such advice is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

New Jersey Gross Income Tax

In the opinion of Bond Counsel, the interest on the Notes and any gain realized on the sale of the Notes is not includable as gross income under the New Jersey Gross Income Tax Act.

Future Events

Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the Federal or state level, may adversely affect the exclusion from gross income of interest on the Notes for federal income tax purposes, or the exclusion of interest on and any gain realized on the sale of the Notes under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the Notes.

EACH PURCHASER OF THE NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, OR COURT DECISIONS.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 94-260, approved April 8, 1976, the Bankruptcy Reform Act of 1978, effective October 1, 1979, Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective October 22, 1994, 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 such 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.

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

The Township has covenanted for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board (the "MSRB"), notice of any of the following events with respect to the Notes (herein "Material 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 Notes or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of Noteholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township);
- (13) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, 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.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Township fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Township for monetary damages. All actions shall be instituted, had and maintained in the manner provided in the paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Township reserves the right to terminate its obligation to provide notice of the events as set forth above if and when the Township no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Township from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Township, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

During the previous five years, there have been instances in which the Township has not complied with its continuing disclosure undertakings related to certain bonds and notes. For fiscal years ended June 30, 2012 and 2013, the Township failed to file certain annual financial information or filed such information without associating it with specific outstanding obligations. In other cases, the Township filed certain information late, though some of it was filed timely with respect to certain Township obligations. In both instances, most of the relevant information was timely prepared and available from the Township, but was not filed properly on EMMA. Furthermore, the Township's annual audited financial statements for such fiscal years were filed on Bloomberg on a timely basis. In addition, the Township failed to file event notices related to changes to ratings assigned to an insurer of insured Township bonds and two recalibrations of the Township's underlying ratings. The Township filed notices of failure to file annual financial information and corrected all omitted filings related to its currently outstanding obligations on September 18, 2014. The foregoing description of instances of non-compliance by the Township with continuing disclosure agreements should not be construed as an acknowledgement by the Township that any such instance was material. The Township has implemented internal control policies and procedures to ensure that similar instances of non-compliance will not occur in the future, including the appointment of a Disclosure Dissemination Agent. The Township Administration, in conjunction with the Township's Disclosure Dissemination Agent and Auditor, will follow the internal control policies and procedures adopted in regards to posting the required continuing disclosure information.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Township by its Solicitor, Robert N. Wright, Jr., Esquire, Cherry Hill, New Jersey.

NO DEFAULT

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

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____, _____ (the "Underwriter"). The Underwriter has purchased the Notes in accordance with the Notice of Sale. The Notes are being offered to the public at the yield set forth on the cover page of this Official Statement, which yield may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey served as Municipal Advisor to the Township (the "Municipal Advisor") with respect to the issuance of the Notes. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is a financial advisory firm and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

RATING

Moody's Investors Service (the "Rating Agency"), has assigned a rating of "MIG 1" to the Notes, based upon the creditworthiness of the Township.

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. The Township furnished to the Rating Agency certain information and materials concerning the Notes and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Notes. The Underwriter has not agreed to take any action with respect to any proposed rating changes or to bring such rating changes, if any, to the attention of the owners of the Notes.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

Acacia Financial Group, Inc. has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Bowman & Company LLP, Voorhees, New Jersey, compiled this Official Statement from information obtained from Township management and other various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information. Bowman & Company LLP does take responsibility for the financial statements, appearing in Appendix "B" hereto, to the extent specified in the Accountant's Compilation Report.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Ms. Michelle Samalonis, Chief Financial Officer of the Township of Cherry Hill at 856-488-7860.

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

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

This Official Statement has been duly executed and delivered by the Township.

MISCELLANEOUS

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

TOWNSHIP OF CHERRY HILL, NEW JERSEY

By: _____
MICHELLE SAMALONIS, Chief Financial Officer

Dated: October __, 2017

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING
THE TOWNSHIP OF CHERRY HILL,
IN THE COUNTY OF CAMDEN, NEW JERSEY**

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township of Cherry Hill (the “Township” or “Cherry Hill”) was originally part of Waterford Township until 1844 when it was incorporated as Delaware Township. A description of the Township in 1886 depicted a “prosperous agricultural community” composed chiefly of gristmills and carriage-making shops. The agricultural nature of the community remained virtually unchanged until the 1920’s when the area began to feel its first growing pains.

After 1950, the building “boom” resulted in housing developments replacing farms and forests with a corresponding increase in population from 10,358 in 1950 to 71,045 in 2010.

In 1961, the Township’s name was changed to Cherry Hill, a remembrance of the landmark Cherry Hill Farm. The past 55 years have seen continued growth and development with attractive residential areas, shopping centers, extensive recreational facilities and executive office complexes.

In 2006, Money Magazine and CNN Money listed Cherry Hill Township as “One of the Top 50 Best Places to Live in the Country.” They also named Cherry Hill Township the 8th safest place among comparable size municipalities.

In 2011, New Jersey Monthly ranked Cherry Hill as the top large town in New Jersey.

In 2014, the Township was designated as a New Jersey Healthy Town. “Healthy Town” status is the top designation given to municipalities every year by the New Jersey Mayors Wellness Campaign. Cherry Hill became the 16th municipality in New Jersey to receive the designation since 2007, and is one of just two towns to be given the honor this year. The Township is the only “Healthy Town” in South Jersey.

In 2014, Sustainable New Jersey re-designated the Township as “Silver;” presently the highest rank for a municipality. Cherry Hill was also the recipient of Sustainable Jersey’s Sustainability Champion Award.

On September 19, 2016, Cherry Hill was named No. 26 in Money Magazine’s annual list of the Top 50 Best Places to Live.

Local Government

The Township government is based on the Mayor-Council form of government. The Mayor of the Township is elected directly by the voters for a four-year term and serves as the Chief Executive Officer. The Township Council is the legislative branch of the government, setting policy through the enactment of Township ordinances and resolutions. Members of the Council serve four-year terms, staggered to provide continuity in the government.

The Township administration operates through the Departments of Administration, Law, Police, Public Works, Community Development, Engineering and Recreation. All financial matters are administered under the direction of the Business Administrator.

Financial Management

The Township actively manages its staff and operating expenses for cost containment, operational efficiency and improved productivity.

The Township utilizes a competitive purchasing process for its purchases of products and services. The Township also aggressively negotiates with insurance carriers to receive lower premium and additional savings. In addition, the Township participates in co-operative purchasing agreements

with other local governmental entities to secure the advantages of price savings from the de-regulation of natural gas and electricity, paper and office supplies.

To reduce the expenses associated with the use of outside vendors, in-house personnel have been used to undertake specific building renovation projects. Management has instituted new human resource practices that include a tighter control over hiring. The Township also has established a comprehensive risk management process to minimize its liabilities.

The Township's recently redesigned website has revolutionized local government-community interaction, creating a "virtual Town Hall" that connects users with more services and information online than ever, accessible 24/7 across all platforms and devices. The Township's goal has been to create a government that works better, costs less, and gets results residents care about; Cherry Hill's e-government services have become critical to that mission. Most recently, the Township created the Cherry Hill Information Portal (CHIP) to further engage and collaborate with citizens. CHIP (www.CherryHill-NJ.com/CHIP) consolidates more than two dozen legacy programs and databases into one tool that includes GIS mapping, online payments, program/event registration, citizen requests, asset mapping and other services that benefit both the user, and Township personnel.

In the last four years, the Township has dramatically expanded its e-government services. Benefits of adding such services include reduced staff time and resources required to complete tasks; less time off from work for residents looking to do business with the Township during traditional business hours; more efficient and effective planning of capital improvements and other projects; expedited permit processing and inspections, resulting in greater economic development; and a reduction in our Town's carbon footprint by reducing vehicular traffic to/from Town Hall by visitors, staff and inspectors, as well as less paper used for printing forms and other services now available online. The result has been a more informed and engaged citizenry, and greater efficiency in the business of local government in Cherry Hill.

User fees for Township services have increased and new user fees have been instituted as well as new recurring revenues, such as abandoned property fees and fines and exterior CO inspection fee. The Township has an aggressive tax collection program and, under the provisions of Chapter 99 of the Laws of New Jersey of 1997, the Township holds annual tax sales. The tax collection rate for Fiscal Year 2017 was ninety-nine and eighty seven hundredths percent (99.87%).

Library

The Township constructed a modern, state-of-the-art, 70,000 square-foot library in 2004. Vacant land (4.39 acres) was acquired adjacent to the former library site of 2.99 acres on North Kings Highway. With over 30,000 active cardholders and more than 560,000 visitors each year, the Cherry Hill Public Library (CHPL) is a place of knowledge and inspiration for members of the community. CHPL provides a variety of library materials and services, access to innovative technologies and a wide-range of programs to meet the informational, educational and cultural interests of residents and visitors of all ages.

Fire Protection & Emergency Medical Services

The Cherry Hill Fire Department (the "Fire Department") is a full service fire and rescue organization committed to the safety of the Township's residents and visitors. The Board of Fire Commissioners is an elected body responsible for planning and executing fire and life safety services in Cherry Hill. As of August 2016, the Cherry Hill Fire Department became an Accredited Agency meeting the requirements set forth by the Commission on Fire Accreditation International. The accreditation recognition is for a 5 year period from 2016 to 2021.

Fire protection in Cherry Hill is provided by four (4) Engine Companies, two (2) Ladder Companies, and one (1) Battalion Fire Chief serving as the on-duty Shift Supervisor and principal Incident Commander at major emergencies. The Department responds to approximately 5,000 fire and

hazardous condition calls for service annually with a core of 99 career firefighters. In addition one (1) Volunteer Fire Police Unit and one (1) Volunteer Rehabilitation Unit support the Fire Department.

The Fire Department provides Emergency Medical Services (EMS) responding to over 10,000 emergency calls annually. The EMS Division consists of approximately fifty (50) personnel led by an EMS Chief. The Fire Department staffs three (3) EMS units 24 hours per day and two (2) demand units staffed during peak call periods in addition to an on-duty EMS shift supervisor.

First responder companies responding from neighborhood Fire Stations support the EMS response system. All Fire Department personnel are certified at the EMT or paramedic level and respond to critical EMS incidents and life-threatening emergencies.

The Fire Department achieved the Insurance Services Organizations Classification of a "Class 1" Fire Department, out of a scale of 1 to 10, which became effective December 1, 2016 and is one (1) of only two (2) fire departments in the State of New Jersey to achieve this rating. The men and women of the Cherry Hill Fire Department are proud of their hard work in lowering fire insurance premiums.

The Fire Department hosts the Township Emergency Operations Center at Central Command on Markkress Road and serves as a partner in the Emergency Management function.

The Fire Department maintains a Hazardous Materials Response Team with fifteen (15) specially trained firefighters assigned to the unit. They are prepared to handle situations involving chemical, biological, nuclear and explosive events. This unit is recognized at the State and National levels for its capabilities and has received many thousands of dollars in grant awards for equipment and training.

There is also a Technical Rescue Team with fifteen (15) specially trained firefighters. These firefighters are prepared to handle complicated vehicle extrication, water rescue, high angle rescue, confined space rescue, structural collapse and trench rescue. All firefighters in the Fire Department are trained to support both of these special disciplines. Firefighters also train daily on any possible emergency that may take place in Cherry Hill.

Community Education on fire and medical safety is critical to improving the quality of life for residents, merchants, business owners and visitors of the Township. The mission of the department is to make a positive difference by educating the residents and visitors of Cherry Hill.

The Training Division is a critical component to the organization, ensuring that all members are prepared to handle the emergencies they may face. They coordinate and deliver all types and levels of training to the Fire Department's personnel. The Department's training facility located at Markkress Road is a registered New Jersey Division of Fire Safety and NJOEMS training site.

The Office of the Fire Chief and the Chief Financial Officer provide oversight and direction to guarantee the mission of the Fire Department is met, through the responsible management of taxes and personnel. The Fire Department has been successful in acquiring FEMA (Federal Emergency Management Agency) Grants, in addition to numerous Department of Justice and State Grants. In 2015, the Department received an AA1 bond rating from Moody's Investors Services.

The Logistics Division is staffed with a NJ Qualified Purchasing Officer and participates in the NJ Contract Program, Surplus Property Program, and Joint Purchases with other Township Entities. We have also taken the necessary steps to utilize the Camden County Cooperative Purchasing Program.

The Motor Maintenance division maintains the Department's fleet of fire apparatus, EMS units and light duty vehicles. In 2015, the Fire Department entered into shared service agreements with our surrounding jurisdictions to perform repair and preventive maintenance on their emergency vehicles.

Police

The Police Department ("Department") is located in the municipal building at 820 Mercer Street and consists of four (4) divisions. The Operations Division is the largest division within the Department and is responsible for the performance of all primary police tasks. The Special Operations Group is a part of the Operations Division and consists of a Tactical Response Team and a Critical Incident Negotiating Team and may be activated for any extraordinary police operation. The Investigative Division conducts follow-up investigations, proactively conducts special investigations, and provides technical services such as crime scene processing, fingerprint identification, and evidence classification. The Administrative Division supports Department operations, while the Office of Professional Standards and Development investigates any allegations of police impropriety and provides the citizenry with public records and assistance.

The Department has a complement of 135 sworn members, eight (8) special law enforcement officers (SLEO), ten (10) dispatchers, twenty one (21) civilian employees and also employs fifty (50) civilian school crossing guards.

The Department requires all police officers to earn the minimum of a Baccalaureate Degree as a condition of employment.

The Cherry Hill Police Operations Center is a state-of-the-art facility with an advanced police communications system including computers, specialized radio technology, digital mug shots, and digital fingerprint scanning equipment connected to the FBI, and software applications that provide computerized detective case management. The system is funded by grants and features the latest technologies. The CAD/RMS system was recently upgraded and was also primarily funded by state grants. The Department has four (4) automated license plate readers. The license plate readers aid the department with the enforcement of motor vehicle laws, security for the general public, and can aid in Homeland Security. The entire patrol fleet is equipped with in-car cameras as well "E ticketing" or electronic motor vehicle summons. E-ticketing has drastically reduced the time officers spend on motor vehicle stops. Additionally, eighty four (84) police officers have been certified and trained in the use Conducted Energy Devices (CED) or more commonly referred to as a "Taser". This will significantly reduce the risk of injuries to civilians and police officers alike. Three (3) police vehicles were outfitted with Thermal Imaging Camera's. These will help locate missing or wanted persons by giving off a heat signature in the dark. The Department is nearing the one year anniversary of the implementation of body worn cameras which were purchased for every member of the department as a supplement to its robust in-car camera recording policies. Again, grant funding played an integral role in the deployment of this new technology. When implemented correctly body cameras can help strengthen the policing profession by promoting agency accountability and transparency. They can also be useful tools in increasing officer professionalism, improving officer training, preserving evidence, and documenting encounters with the public.

The Department has been the recipient of county, state and federal grant awards that have made possible additional crime prevention initiatives as well as the expansion of the Community Policing Unit which is focused on direct interaction with community stakeholders. The Department engages in drug awareness and education programs, hosts a Junior Police Academy to increase positive interactions with the youth in our community and is starting a "Police Club" at both of the high schools this year. Grant funding also supports advances in technology that enhance the delivery of basic and supplemental services to the people who live, work and visit the Township. The Cherry Hill Police Department has launched a Strategic Intelligence and Analysis Unit. This unit has a full-time Crime Analyst to identify crime trends and patterns. This new operational initiative uses leading edge statistical analysis and geographic software to aid in the effective and efficient deployment of police resources. The initiative, called Data-Driven Approaches to Crime and Traffic Safety (DDACTS) was developed by the National Highway Traffic Safety Administration. It uses geographic mapping to locate crime and traffic hot spots and targets these areas using temporal and spatial analysis. The correlation of crash and crime occurring within close proximity allows police an opportunity for addressing both challenges with a singular tactic. Once a hot spot is identified, the area is saturated with highly visible

traffic enforcement strategies in order to reduce social harms associated with incidences of crime, traffic crashes and traffic violations. DDACTS was created as a nationwide initiative to help local communities improve public safety by both reducing their crime rates and decreasing their traffic crashes. The concept draws upon the knowledge that crimes often involve the use of a motor vehicle and the offender will recognize an increased likelihood of apprehension due to a highly visible police presence. The application of highly visible traffic enforcement is a proven and effective strategy that addresses both crime and crashes whether they occur simultaneously or independently in time and/or location. This allows personnel to be deployed where and when they are needed for a more efficient and effective use of resources in response to community needs

The Department is facing today's challenges with dynamic strategies that employ technological resources to solve problems efficiently. Community focused and place based law enforcement practices have emerged as an effective way to reduce social harm and improve public safety. There are no additional costs associated with the implementation of this philosophy as officers already assigned to patrol have their assignments reallocated to target a defined hotspot. The use of highly visible enforcement sustains a flexible and cost effective method for reducing social harms. By placing more officers in geographic locations based on the statistical frequency the Department hopes to reduce crime and motor vehicle crashes and improve the quality of life in the community.

Recreation and Public Land

The preservation of the Township's open space and the development of first-class recreational facilities are top priorities of the administration. The Township provides a variety of passive and active recreation activities on open space lands, including playgrounds, picnic areas, tennis, hockey and pickleball courts, fitness and nature trails, athletic facilities and Little Free Libraries. These amenities exist at fifty-seven (57) locations that are maintained by Cherry Hill Township.

The Township is unique in that it owns and maintains two National Register historic properties. Both serve very different, but valuable, functions for our residents. The historic Croft Farm hosts numerous cultural programs, including classical and contemporary music performances, art exhibits, movies and lectures. The site also serves as classroom space for various recreational opportunities to individuals of all ages and abilities. The Barclay Farmstead is maintained as a living history museum. The main house and outbuildings are interpreted as an 1816 Quaker Farmstead, reflecting Cherry Hill's rich agrarian heritage. The farmhouse and grounds are open to the public for tours on a designated, seasonal schedule. In addition to tours, events and programs, the Barclay Farmstead also hosts an award-winning school tour program, which offers Cherry Hill 5th graders and many out-of-district students a hands-on lesson in our regional history and heritage. The surrounding 32-acres include community gardens, playground, stream and nature trails, a portion of which are handicapped accessible.

In 2014, the Township completed an A. D. A. accessible ramp for the farmhouse and installed a virtual tour of the second and third stories providing for complete visual access to the structure.

In 2017, preservation work was complete on three Croft Farm Outbuildings: the Smoke House, Ice House and Spring House. All three structures are contributing buildings on the Croft Farm National Historic Register application.

A full-time professional director works with a full and part-time staff in conducting an extensive year-round program for sports and fitness, dramatics, dance, and many other special interests for participants of all ages, including an adult education series. The Township has earned much recognition for success in providing programs based on the concept of Universal Design, which focuses on creating programming that is inherently accessible to people of all abilities. Schools enhance the Township's recreational activity schedule by providing a wide variety of programs for the enjoyment of residents.

The Township has 1,363 acres of open space, with approximately half of the acreage developed with athletic fields, basketball courts, roller hockey courts, fitness trails, picnic areas, and tot lots. For example, the Township has forty-one (41) tennis courts located at sixteen (16) separate facilities (of which eleven (11) are lighted) as well as nine (9) soccer fields (two of which were added in 2016 at Croft Farm), eight (8) roller hockey courts and three (3) pickleball courts.

In 2008, the Township converted three athletic fields to artificial playing surfaces along with the addition of sport lighting. This conversion was for soccer and lacrosse clubs that service close to 3,500 players ranging from youth to high school ages. It has increased the playing time while at the same time reduced the maintenance costs. Two of the fields are located at the DeCou Sports Complex and the third field is at the Chapel Avenue Park.

In 2015, a Shared Service Agreement between the Township and the Board of Education enabled the reconstruction of the Cherry Hill High School West tennis courts and the addition of a fifth court to enable tournament play.

In 2016, Cherry Hill Township entered into a similar Shared Service Agreement with the Board of Education to convert the football fields at East and West High Schools to Synthetic Turf Fields and make improvements to the surrounding tracks.

The Township offers a variety of wooded, soft-surface trails, totaling approximately 13 miles, located throughout the Township to explore. The ten distinct trails systems provide unique opportunities to connect with nature, find solitude and inspiration, promote good health through hiking, trail running or mountain biking and to expand our education and understanding of the vital role open space provides to our quality of life and the overall health of the environment. The Barclay Farmstead Trails and the Croft Farm Trails have received the distinction of being named National Recreation Trails through the National Park System. These trails contribute to the health, conservation, and recreation goals of the United States.

Open Space

In November 2000, Cherry Hill voters underscored their commitment to open space preservation with overwhelming approval of a referendum to establish a Township Open Space, Recreation, Farmland and Historic Preservation Trust Fund. Cherry Hill homeowners contribute one (1) cent per \$100 of assessed property value annually to generate funds for open space including the acquisition, protection and maintenance of environmentally sensitive lands, drinking water sources, historical properties and farmland.

Cherry Hill's Trust Fund has been utilized to purchase and preserve many properties since 2001.

Environmental Care and Maintenance

The Public Works Department ("Public Works"), with a work force of approximately sixty-six (66) employees, maintains parks, trees, sanitary sewers, storm drains, and other municipal property (over 1,200 acres). Public Works collects leaves and conducts snow removal, pothole repairs and street maintenance and cleaning for more than 260 miles of Township roads. The Engineering Department designs capital improvement projects, including improvements to Township roads, storm drainage and sanitary sewer systems.

The Township contracts for Solid Waste Collection and Recycling and recently took the lead among Cooperative Purchasing members to secure a new five-year contract that began January 1, 2016 for fully automated solid waste collection, automated recycling and disposal. In addition to the added efficiencies and faster service, the move to automation provides for a savings of approximately \$1.35 million compared with the cost of manual-trash collection service over the life of the contract. Additional savings will be realized in solid waste tonnage as a result of the new 96 gallon trash

containers delivered to residents. Disposal cost savings were also realized over the current cost for disposal.

Recycling consists of curbside collection of glass, cans, newspapers, cardboard, magazines, plastics, white paper, junk mail, leaves, grass, tree limbs, brush and appliances. The Township now has over a ninety percent (90%) recycling participation rate. The expanded recycling program has led to significant reduction in the amount of trash brought to the County waste disposal facilities as well as a reduced dependence on the County's incinerator.

On May 23, 2016, Cherry Hill Township released and adopted a new municipal Sustainability Plan, the Township's formal document to guide the community toward a greener future. The 51-page "Roadmap to our Future," is the product of more than two years of work by the Mayor, Council, Township Administration and Green Team members to develop a sustainable path for the community. It upholds environmental sustainability as a priority for the Township, and outlines objectives and strategies in five key categories: Health and Wellness; Homes, Buildings and Transportation; Leadership, Education and Training; Community Vitality and Ecology; and Empowerment through Arts and Culture. The roadmap is a blueprint that will guide our entire community – our government, businesses and residents alike – to a more sustainable future, and reinforces Cherry Hill's position as a leader in municipal and community-wide sustainability.

The Township has implemented other cost saving measures. To offset rising utility costs, the Township has installed two solar arrays, totaling 130kW of power. In addition to the energy saving, the Township benefits from the revenue generated from selling the Solar Renewable Energy Certificates (SRECs).

In addition to solar panels, the Township has replaced its aging roof top HVAC units with new energy efficient units. All of the lighting at Town Hall and Department of Public Works has been retrofitted to a more efficient solution. In addition to our main facilities, the Township has retrofitted LED lighting at our auxiliary and recreational facilities. With all energy projects completed, the Township should realize substantial reduction in energy consumption. All remaining consumption will be purchased at a reduced rate as the Township participates in a consortium which went out to the marketplace to get competitive energy rates via reverse auction. Our purchased power contains a renewable portfolio of 20%.

Sewer Utility

The Township owns and operates twenty-five (25) pumping stations and a sewerage collection system approximately 320 miles in length. The sanitary sewerage collection system serves approximately ninety-eight percent (98%) of the Township's residents, with the remaining use septic systems.

All wastewater from the Township is treated at the County regional treatment facility located in the City of Camden. The treatment facility is owned and operated by the Camden County Municipal Utilities Authority.

In addition to the Township's annual residential sewer rate of \$95 (with a discount for senior citizens), the County levies an additional \$352 charge yearly, payable in quarterly installments.

The Township's Sewer Utility CIP investment is approximately \$2 million per year for sanitary sewer infrastructure improvements. These include, but are not limited to, pump station replacement, I & I reduction, main replacement, slip lining of mains, manhole restoration, etc. Our continued investment provides for a sound wastewater collection system.

Water

The Township receives water from the New Jersey American Water Company and from the Merchantville/Pennsauken Water Commission, both privately-owned companies. Substantial improvements to the infrastructure have been made in 2015 - 2016 and will continue in 2017.

Natural Gas

In 2016 and 2017 PSE&G made and will continue to make significant infrastructure improvements throughout Cherry Hill.

Township Employees

	<u>2017*</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Permanent	310	317	310	305	304	292
Part-time	<u>82</u>	<u>79</u>	<u>77</u>	<u>79</u>	<u>78</u>	<u>75</u>
	<u>392</u>	<u>396</u>	<u>387</u>	<u>384</u>	<u>382</u>	<u>367</u>

* As of September 13, 2017, all other dates are as of December 31 of the respective year.

Employee Collective Bargaining Units

Currently, there are five (5) collective bargaining units in the Township: Police Sergeants, Lieutenants and Captains represented by the Superior Officers Association Local (SOA); Police Officers, Detectives and Investigators represented by the Policeman’s Benevolent Association Local 176 (PBA); Dispatchers represented by Teamsters 676; Blue Collar Employees represented by Teamsters 676; and White Collar Employees represented by Teamsters 676. The Superior Officer Association (SOA) and Policeman’s Benevolent Association (PBA) contracts expire December 31, 2017. The Blue Collar Employees (Teamsters 676) contract expires December 31, 2017. The Dispatchers (Teamsters 676) contract expires December 31, 2018. The White Collar Employees (Teamsters 676) contract expires December 31, 2019.

Business and Industry

As one of the region’s original post-World War II suburban communities, Cherry Hill Township continues to grow as the community that is celebrated for its high-quality of life and pioneering business environment.

The Township’s economic growth is propelled by regional innovation clusters of healthcare, advanced manufacturing, pharmaceuticals, research and development, science and technology, banking, real estate, insurance, regional and local retail and large employment centers. These businesses are supported by a highly-skilled, highly-motivated and a highly-educated workforce, large, supportive daytime populations, and reputable local colleges and educational institutions – rivaling the talent needs of top-tier companies.

Just 6 miles from Center City Philadelphia, Cherry Hill Township is South Jersey’s hub for business advancement and growth, making it an attractive destination for new retail and corporate centers. In tandem with the Township’s ability to recruit and attract new business establishments, its ability to retain and expand existing businesses is due in large part to the Township’s legacy of strong public-private partnerships (P³) and informed civic leadership. As the State’s fourteenth (14th) largest



municipality, strategically located around major arterials with connections to the Nation's fifth (5th) largest city (Philadelphia), Cherry Hill's location makes it a community of exceptional economic opportunity – playing a key role in the Region's marketplace.

The Township is home to several of the largest international companies in southern New Jersey, including the North American headquarters of Subaru of America, Inc., TD Bank's U.S. headquarters, National Freight Industries, Inc. and Melitta North America.

As the marketplace becomes more competitive, Cherry Hill Township looks to re-invent itself to keep up with demand for changing economies, respond to shifting trends, and anticipating new markets. Investment in infrastructure such as water, wastewater, roads, transit, energy, communications, and regional facilities lay a groundwork for businesses to establish and develop roots within the Township's boundaries. Paired with effective land use planning, the Township is effectively diversifying its housing, transportation, recreation and entertainment options – integrating the key components that make Cherry Hill such an attractive and livable community. In 2016, Money Magazine named Cherry Hill Township the number 26th place to live in the Nation.



DEMOGRAPHIC & ECONOMIC COMPARISON			
	TRADE AREA ¹	CAMDEN COUNTY ²	CHERRY HILL TOWNSHIP ²
Population	2,060,311	510,923	71,348
Households	785,183	185,113	26,879
Median Household Income	\$73,409	\$65,025	\$96,848
Median Family Income	\$90,245 ^A	\$82,252	\$118,310
Per Capita Income	\$37,254 ^A	\$31,809	\$46,410
Income Stratus			
Percentage Over \$50,000	52%	59%	71%
	408,295	109,772	19,084
Percentage Over \$75,000	35%	44%	59%
	274,814	81,265	15,859
Percentage Over \$100,000	23%	31%	49%
	180,592	57,940	13,171
Homeownership Rate³	64.5% ^A	67.5%	78.8%
Rental Vacancy (%)	6.1% ^A	4.6%	6.1%
Residential Sales^{4,5}	74,535 ^A	6,549	1,032
Unemployment Rate (%)^{6,7}	4.2% ^A	4.6%	3.7%
Median Home Value	\$191,481	\$193,800	\$269,400
Median Age	36.6	38.7	42.8
Daytime Population	2,404,425	479,490	86,559

¹ Sitewise 2016

² 2015 American Community Survey 1-Year Estimate

³ 2011-2015 American Community Survey 5-Year Estimate

⁴ NJ Association of Realtors (2016) for State of NJ

⁵ NJ Association of Realtors (2016)

⁶ 2016 US Bureau of Labor Statistics

⁷ 2016 New Jersey Department of Labor

^A State of NJ (All Other Numbers in Column are Trade Area Unless Noted)

HISTORICAL POPULATION	
YEAR	POPULATION
2010	71,045
2000	69,965
1990	69,348
1980	68,785
1970	64,395

Source: United States Census Bureau

LARGEST EMPLOYERS IN CHERRY HILL TOWNSHIP (NON-GOVERNMENTAL)		
BUSINESS	SERVICE	EMPLOYEES (ESTIMATE)
Cherry Hill Mall	Enclosed Shopping Mall	2,500
Seasonal Employment	Enclosed Shopping Mall	3,100
Nordstrom's	Department Store	175
Macy's Northeast	Department Store	325
Kennedy Health System	Health Care Provider/Hospital	1,130
Bancroft Rehabilitation Services	Special Needs Provider	961
TD Bank	Banking: US Headquarters	625
Jewish Federation of South Jersey	Special Needs Provider	490
Subaru of America	Auto Manufacturer American Headquarters	405
National Freight Incorporated (NFI)	Shipping & Logistics	300
Wegman's	Super Market	400
Whole Foods Market	Super Market	250

Source: Cherry Hill Township Department of of Community Development and Division of Code Enforcement

Ongoing and/or Recently Completed Economic Development Projects:

Kennedy University Hospital. Phase I of the Kennedy University Hospital redevelopment project was completed and opened in April 2017, transforming their 27-acre campus in the center of Cherry Hill.



In order to ensure that reliance and convenience of a major healthcare facility, the Township Council took a pro-active approach towards the revitalization of this 27-acre healthcare campus by designating the property as an Area in Need of Rehabilitation and prepared a Redevelopment Plan for the a strategic approach to facilitate its transformation it's a 21st century healthcare facility. This enabled the revitalization and reinvention of this critical "West-side" community stakeholder, which also provides hospital-based acute and outpatient healthcare to the entire Region.



As noted above, construction has been completed on the new 102,000 SF Medical Office and Surgical Center, a new indoor 750-car parking structure, a five-story grand atrium lobby and an overall enhanced curb appeal with large green landscaped areas along its street frontage. The project also includes the reorganization and realignment of critical hospital services. Phase 2 is currently in the architectural design and engineering phase and that will include a new patient pavilion with all private, in-suite room and support services for patients and their families and friends, as well as new surgical suites and support services. Total build-out will total more than \$220+/- million in investment – fostering its place in the Region as premiere healthcare provider and as one of the Nation’s leading employers.

In August of 2017, Cherry Hill Township Council amended the Kennedy University Hospital Redevelopment Plan to permit a height increase for the new patient pavilion, as well as modifications to permit reduced setbacks, signage and a helipad. In September of 2017, Kennedy University Hospital, which has received approval from the State of New Jersey to merge with Jefferson Health – creating a 13-hospital network in the region – submitted for Phase II and is under review by the Township’s Department of Community Development.



Penn Medicine at Cherry Hill. In October of 2016, the University of Pennsylvania Health System opened the completely renovated 152,000 SF Penn Medicine medical office building – located along New Jersey State Highway Route 70, also known as the Township’s – and the Region’s – “Healthcare Highway”. The University of Pennsylvania Health System, a premier healthcare provider in the Philadelphia Region, recently occupied the entirety of a former vacant department retail store, known as Syms. The developer of the project purchased and aggregated lands to provide more meaningful circulation for east-west access to South Jersey’s “Healthcare Highway” in addition to the completely renovating of this former greyfield, which also includes a new 400-car parking structure, signage and various site improvements.



The new facility hosts medical disciplines, such as oncology, radiology, cardiology, ob-gyn, primary care, physical therapy, radiation and chemo therapies, a linear accelerator, and other sophisticated modalities. All within a patient-friendly and natural-light flooded and calming, therapeutic environment.

The project represents nearly an \$80 million investment in Cherry Hill, and expands Cherry Hill's "healthcare footprint" as a growing epi-center of medical services and first class healthcare delivery in the Region, joining Our Lady of Lourdes Health Care System, Cooper University Hospital, Virtua Health System and Kennedy University Health System, Wills Eye, Patient First and many others within the Township.

Penn Medicine's presence, investment and growth in Cherry Hill lends itself to a major economic force for the Township – so much to that the Township received an award for Outstanding Achievement in Economic Development at the 11th Annual Tri-County Economic Development Summit for its nurturing of this growth along South Jersey's "Healthcare Highway".



In July of 2017, the Penn Medicine redevelopment effort received recognition and was selected as a recipient in the 2017 New Jersey Planning Officials (NJPO) Achievement in Planning Award.

LourdesCare at Cherry Hill. The site of LourdesCare, located at 1 Brace Road in Cherry Hill, was an abandoned greyfield. It was formerly occupied by an under-performing shopping center that at various times in its history since the 1960s housed a discount department store, super market, dry cleaning establishment, and other uses. The weed-ridden parking lot and the existing building were an eyesore and sat vacant from 2008 until the property was bought in late 2011 by Rosewood Real Estate Enterprises. The new owners envisioned the site, situated at the major crossroads of the community: Marlton Pike (Rt. 70), Brace Road (Rt. 154) and Kings Highway (Rt. 41) - a location that is virtually the "front door" to Cherry Hill.

The scope of work included substantial renovations and alterations to the structure and all major systems of the existing building. Nothing was left untouched; the facility underwent a complete interior and exterior renovation, and the site was upgraded with a comprehensive landscaping and stormwater design. Extensive environmental remediation of the building and site were successfully completed - transforming the site from a health hazard to health haven. From Planning Board in May 2012 to Grand Opening in March 2013, the facility was completed in only 10 months.



LourdesCare provides the community and surrounding areas with medical care options that

includes a wide variety of medical specialists, laboratory services, physical and occupational therapies, wellness programs, and classes designed to teach health maintenance and prevention. As a medical facility, the site is now home to medical specialists ranging from cardiothoracic and vascular surgeons to doctors specializing in orthopedics, bariatrics, and radiology, among others. Up to 220 patients use these services daily.

LourdesCare at Cherry Hill has created more than one-hundred ten (110) full-time jobs, plus a staff of 38 doctors. The project has been so successful that approvals for a separate 4,500 square foot building on the corner edge of the property at Brace Road and Rt. 70 are memorialized. This expansion will complete the campus and will provide additional services, which have not yet been determined.

LourdesCare is an innovative environment, both inside and out, with a clinical experience that is designed to address patients' and families' needs. But more so, this project has not only transformed healthcare delivery in our area, it has literally transformed an underused eyesore that is located at the heart of this community. This adaptive reuse repurposed and recycled a worn-out structure into a brand new use.

In 2014, LourdesCare at Cherry Hill and the Township won a New Jersey Planning Officials (NJPO) Honors Achievements Award in Planning and New Jersey Business and Industry Association (NJBIA) – New Good Neighbors Award for its commitment to economic and civic well-being of New Jersey.



Whole Foods Market. Immediately across from LourdesCare is the Township's 53,000 SF recently opened Whole Foods market. It opened in 2014 as the new cornerstone of the Ellisburg Shopping Center, Cherry Hill's first and original 1960s vintage retail center (totally 267,000 SF of retail space).



It also spurred the complete façade renovation and upgrade of the entire shopping center. Whole Foods Market's arrival continues the renaissance of the Route 70 and Kings Highway corridor, and solidifies the Township's reputation as a destination for major National and International retailers. Like LourdesCare, it served as a catalyst in the revitalization of an under-performing retail center – thus enhancing property values, strengthening and servicing immediate neighborhoods, and ultimately attract interest from other businesses looking to relocate or expand. Adding a brand like Whole Foods Market to Cherry Hill's business landscape illustrates that the Township is thriving, vibrant and diverse. It underscores the message that major businesses are investing in Cherry Hill, and others are also.

Whole Foods, along with the upgrade of the shopping center, has attracted several new upscale tenants such as Honey Grow, Lemon Pop and others. It was also been a model of sustainable development in the Township with solar panels on the roof of the entire center and approximately 3 acres of solar arrays on an unused area behind the commercial buildings, as well as rain-gardens in the front parking areas, and electric vehicle charging stations in priority locations.

Further development has also been spurred directly across Kings Highway with the new **MOM's Organic Market**, a 22,000 square foot store which just opened in mid-August 2016 and offers a variety of organic groceries and fresh foods and produce, along with a "Naked Lunch" bar of healthy selections for eat-in and take-away.



Audi Dealership. Construction has recently been completed on a new 40,000 SF sales/showroom and repair facility on a 5-acre site along Route 70, where the construction value was estimated at nearly \$14 million. The Township anticipates that additional renovation will occur on the same site for the Porsche dealership (a Volkswagen dealership is also on-site). Similarly, the owners of the dealership own the Land Rover/Range Rover dealership on Haddonfield Road and have submitted an application for concept review for that expansion, which will most like be submitted for consideration of approvals in 2017.

Wood Springs Suites Hotel. Formerly known as the Steak 'n Ale restaurant, Wood Springs Suites opened in the Spring of 2017. This new 138-room extended-stay hotel is located immediately off the Route 70 corridor at the I-295 interchange.

Republic Bank. This project was completed and opened in June of 2017. The 3,316 SF bank with drive-thru facility is located at the Libertyview office complex across from Garden State Park and the Commerce Center office complex.

Economic Development Projects in the Pipeline:

Cooper University Medical Center. Known as a major regional healthcare provider headquartered in nearby Camden, NJ, Cooper University Hospital has received Planning Board approvals for a 8,000 SF addition – for a total of 96,200 SF – for a medical, multi-specialty service building at the former Lockheed Martin off building located on Route 70 (South Jersey's Healthcare Highway).

The project is presently in conformance review and construction documents are being developed to transform this former office building and 5-acre site into a state-of-the-art medical resource that overlooks the Township's major natural resource – Cooper River Park. The project includes a minor building addition to the front façade, as well as new patient drop-off covered area.

Program elements will include imaging, physical and occupation therapies, laboratory services, patient exam for multi-disciplines that include cardiology, nephrology, neurology, orthopedics, endocrinology and general surgery.



Commerce Center at Garden State Park (Coscto Wholesale Warehouse). The Township continues to review an application for a 18.5-acre parcel of the 224-acre tract mixed-use planned unit development known as Garden State Park, for a 160,000+/- SF retail development along with 15,000+/- SF of ancillary retail uses.

The developer of the site proposes to transform a vacant and fallow former parking area of the former race track into a Costco Wholesale Warehouse with an accessory nine (9) multi-product dispensing (MPD) gasoline station, which also includes the construction of a connector road to the adjoining Garden State Pavilions Shopping Center (owned by Kimco Realty) – providing immediately access to the NJ Transit Atlantic Rail Line with stops west and north (30th Street Market Station in Philadelphia with connections in Pennsauken Township via the RiverLine to the Northeast Corridor to New York City) and points west to the Atlantic City Convention Center.

The site is adjoining other major retail development with the Garden State Park planned unit commercial development (i.e. - Home Depot, Wegman's, Nordstrom Rack, etc.) and planned unit residential development, which at build out will include 1,659 units. Total investment is approximately \$50 million and will create 250+/- jobs.

In September of 2017, the site plan for Costco Wholesale, which includes a fueling station and a Duluth Trading, was approved by the Cherry Hill Township Planning Board.



Lidl Grocery. This project proposes the construction of construct a 35,962 SF Lidl grocery store at the Walmart Shopping Center located on Route 38 owned by Urban Edge (also known as Vornado). This highly competitive German grocer, which has taken over Europe – in competition with Aldi markets (which recently acquired Bottom Dollar), has recently planned as US expansion – including Cherry Hill. Lidl US has goals to start opening stores in 2018. The chain, which is like a cross between Walmart and Trader Joe's, offers deep discounts on groceries, household appliances, clothes, and furniture.



At-Home – The Home Décor Superstore. The Township is working with a new regional retailer from Plano, TX to reinvent the former Pathmark at 949 Church Road – directly across the street from the Cherry Hill Mall. The retailer will be seeking to occupy 91,000 SF of space and will relocate an existing Big Lots to an adjoining (vacant) retail space while providing façade improvements to the center. This rejuvenation will provide for enhancements, which is desperately needed to revitalize this edge of the Cherry Hill Mall and its associated frontages.



Tesla. The Township is working with Tesla to develop a dealership within its borders at an existing facility on Route 70 – near to many of the Township's existing car dealerships. While only few Tesla dealerships exist Nationwide, Cherry Hill is excited to be part of one the prospects to be part of the electric carmaker's expansion into dealership sales. As the fourth



and last dealership to open in New Jersey, the Cherry Hill location is expected to open by the end of 2017.

Pennrose Springdale Seniors Affordable Housing. The Jewish Federation of Southern New Jersey was granted approval for a deed-restricted rental housing project intended to provide affordable living for seniors and adults with developmental disabilities. Tentatively called “The Commons,” the 15-acre, \$40-million project is located at 1721 Springdale Road in Cherry Hill. It will consist of two, 80-unit, three-story, 85,000-square-foot buildings that will be built in two phases over four years.

Twenty percent (20%) of those units will be reserved for adults with developmental disabilities; the remainder will be senior housing for seniors aged 55 and older, deed restrictions that are guaranteed for 45 years.

The project is designated 100-percent affordable housing, and will be targeted at renters earning 30, 50, and 60 percent of area median income. Developers will seek low-income housing tax credits from the New Jersey Housing and Mortgage Finance Agency (NJHMFA) for each phase of the construction. NJHMFA credits are awarded competitively on an annual basis, and could provide as much as 70 percent of the equity for the project. Pennrose Properties will manage the property. Unique to the building designs are its first-floor, one-bedroom, quad clusters, which are self-contained but feature separate entries to an indoor common area. These units are reserved for its special-needs residents, and will be tapped for supportive services and community programming, allowing residents to retain their independence within a structured social setting.

In August of 2017, the project was awarded \$1,294,858.00 in Low Income Housing Tax Credits (LIHTC) to finance the project. This was one of six projects awarded LIHTCs for the 2017 allocation statewide.



Commerce Center Office Center. Final approvals were provided in the first quarter of 2017 for the construction of a two-story, 44,021 SF office building with under-story and on-site parking at the Commerce Center Office Complex – which currently houses three (3) four-story office buildings – which are currently at 96% occupancy.

Primrose Daycare. Construction commenced the second quarter of 2017, for the development of a 12,069 SF child care center (Primrose School) with various site and signage improvements. Primrose Schools is a national family of accredited early education and care schools serving infants through kindergarten, after-schoolers, their families and communities with locations in 29 states.

Gateway Redevelopment Plans. The Township has designated three (3) study, and sub-study, areas as Areas in Need of Redevelopment, and is currently investigating additional potential redevelopment areas that will reinvent the western gateway along New Jersey State Highways Routes 70 and 38, as well as areas along Cuthbert Boulevard (County Route [CR]-636). These major arterials are direct connectors from the Township’s borders to Philadelphia (west) and to points north and south via Interstate-295 and the New Jersey Turnpike. These strategic locations are of critical importance as there are just a few hours of most major metropolitan areas in the Northeast.

These Areas in Need of Redevelopment will create a new sense of arrival to the Township and will transform currently underutilized sites (such as older motels, a closed bowling alley, a former publishing/printing facility) into attractive and viable mixed-use communities.

- **Park Boulevard Redevelopment Plan** has been presented to and approved by Township Council. The plan includes 192 luxury apartments, ranging from studio to 3-bedroom flats and stacked units. Amenities include an “active courtyard” with pool, bar-b-que and dining areas (and is adjacent to indoor amenities including community gym, business center, lobby and meeting and social rooms), and a “passive courtyard” that is more quiet and social in nature and includes a variety of gathering areas and features such as fire elements and gardens.

The main focus of this project is it’s frontage along the Cooper River Park system, which is a major recreational and natural resource that includes a world-class, Olympic-distance 2000 meter rowing facility and boathouse. Numerous national and international competitions occur at this venue, and this new project will have a front row seat along the Cooper River! The project is located on a 7.3 acre site and has a construction value of \$75+/- million.



- **Hampton Road Redevelopment Plan** is currently in development and is scheduled to redevelop a 20.3 acre area of former industrial “brownfields” and other work yard and minor office uses. The vision is to transform the site that currently contains obsolete and abandoned structures into a new and higher use composed of high-quality buildings and public spaces.
- **Baker Lanes Redevelopment Plan** is currently in development and is scheduled to redevelop a 3.6 acre area, former utilized as a bowling alley (now currently vacant and dilapidated) into a 90-bed inpatient residential health care treatment facility. The Redevelopment Plan was adopted in February of 2017.

Economic Development Projects Currently Under Construction:

Plaza Grande Age-Restricted Condominiums. Construction has restarted on this 608-unit age-restricted condominium development on 35 acres in the Garden State Park. The project was stalled in the economic downturn; however, the Township worked with the new developer/purchaser of the project to restart and redesign the units and site plan to respond to the current market. Two (2) new buildings (32 units each) have recently been completed, with occupancy occurring in the last quarter of 2016 and occurring in the first quarter of 2017. One (1) additional building is in the foundation and site construction phase with the anticipation that a second building will be in a similar phase shortly.

Evans Mill. This project is the transformation of a former lumber yard facility into 152 luxury apartment units with amenities that include a clubhouse and pool. The 9 acre site is currently about 100% impervious; the development will provide over 38% of green space that is adjacent to Township open space and our historic Croft Farm farmstead. Demolition of the existing buildings has just begun and construction has commenced in the 1st quarter of 2017. Construction value is estimated at \$45 million.



Oren’s Development Assisted Living (Memory Care). This project recently completed demolition of the former Coastline Restaurant and Nightclub; and will house a 64-bed memory care nursing/long-term care facility. Construction is scheduled to commence in 2nd quarter of 2017.

Zara’s at Cherry Hill Mall. A 5,000 SF expansion at the Cherry Hill Mall is underway for a 30,000 SF international clothing retailer, known as Zara. With more than 2,100 stores worldwide, Zara is the flagship brand of the Inditex Group. Zara is renowned for its ability to develop a new product and get it to stores within two weeks, while other retailers take six months. Zara added 77 stores in 2015, including the first stores in Australia last year, as well as a number of U.S. cities like Los Angeles, New York, San Diego, Houston and Las Vegas. Rosalia Mera, who co-founded Zara with her former husband Amancio Ortega, died in 2013 at the age of 69. She was the wealthiest self-made woman in the world with a fortune estimated at \$6.1 billion at the time of her death. Zara debuted at Cherry Hill Mall on September 28, 2017.

Economic Growth & Expansion:

Construction activity continues to grow significantly throughout the Township. In a period comparison of construction activity in Fiscal Year 2016 to Fiscal Year 2015, the Township witnessed an increase in construction value by 250%. Reference statistics below for further growth information:

CONSTRUCTION ACTIVITY (FISCAL YEAR COMPARISON)		
(JULY 1, 2015-JUNE 30, 2016 VS. JULY 1, 2016-JUNE 30, 2017)		
	FY 2016	FY 2017
Permits	4,384	4,704
Permits By Discipline¹	7,141	7,635
Construction Activity	\$151.7M	\$98.9M
New/Addition	\$77.05M	\$28.6M
Renovation	\$74.2M	\$69.2M
Inspections	13,423	14,852
Fees	\$2.93M	\$2.45M

¹ Building, Plumbing, Electric, Mechanical, Fire, & Elevator

BUILDING PERMITS		
YEAR	PERMITS	VALUE OF CONSTRUCTION
2017*	3,258	\$78,147,035
2016	4,273	\$127,400,408
2015	4,149	\$96,687,494
2014	4,162	\$72,279,175
2013	4,011	\$65,838,511
2012	4,231	\$96,000,000

* 2017 Number of permits through 8/31/2017

Growth and expansion continues at **Garden State Park**. It was once the center of entertainment and sporting in our metropolitan area when it was the racetrack. Today, the 224-acre site continues to undergo a transformation into a comprehensive development consisting of townhomes, condominiums, luxury apartments and active-adult residences. It has an extensive system of parkways, walkways and streets, linking the residences with a variety of recreational, shopping, dining options, entertainment and work venues.



The focal point is the 800,000 SF Towne Center features many marquee retailers and restaurants, including Barnes & Noble Bookseller, The Cheesecake Factory, Brio restaurant, Talbot's and Joseph A. Bank clothiers, DSW Shoes, Nordstrom's Rack and other restaurants and commercial leaders such as Farmers Insurance and DeVry University. A 600+ car parking garage is in the center of the retail and office area.

The adjacent 545,000 SF Market Place includes the regional destinations of Wegman's Supermarket (along with their Wine and Liquor store), Best Buy electronics, Dick's Sporting Goods, Bed Bath and Beyond, and the Christmas Tree Shop. The center also includes The Home Depot, Citizens Bank, Houlihans' restaurant, and many more shops, restaurants and service-oriented stores. Both PNC Bank and Pier One have opened stand-alone retail stores along Haddonfield Road.

Work is ongoing in the construction of Edgewood Development's residential component at Garden State Park. This includes development of several products: condominiums, townhouses and apartments. The housing portion of the development will have a total build-out of 1,659 units.

Edgewood properties recently received Preliminary and Final Site Plan approval from the Township's Planning Board to continue construction of the townhouse and condominium portions of the development. This will result in the build-out of 360 residential units: 98 luxury townhouses and 262 condominiums (in 4-story buildings). It will also include additional retail development along the Haddonfield Road edge of the property; in addition to the existing 15,000 sq. ft. of bank and retail, the project received Preliminary Site Plan approval for an additional 67,000 SF of retail including two major box stores, plus two ancillary pads, plus a restaurant site.

Additionally, as mentioned above, the age-restricted (55 years and older) condominium complex, has resumed construction. The new developer has retooled building designs that will respond to today's market to complete the 608 unit age-qualified complex. The Club House, which was stalled for several years is now open, and features an indoor pools, tennis courts, meeting and recreation rooms, gym and theatre.

Further north along Haddonfield Road, the **Cherry Hill Mall** continues to enhance their \$225+ million project of building upgrades and additions. Since its transformation it has seen a 66% sales increase with sales topping \$657/sq. ft.

The Mall is a regional draw, and is within the top 40 of enclosed shopping centers in the United States with retail sales of over \$656 per square foot. The Mall includes the tri-state area's only Nordstrom's (138,000 SF), as well as a top-performing Macy's (305,000 SF) and JCPenney's (174,000 SF) department stores. The Mall also includes an Apple store, Disney Store, H&M, Coach, Gap, Victoria's Secret, Henri Bendel's, Hugo Boss, Armani, Lego, Tumi, Pottery Barn and Williams-Somona, North Face and more than 200 other retail stores, restaurants and services. Stand-alone buildings on frontage pad sites accommodate Crate and Barrel (34,300 SF) and The Container Store (24,200 SF).

The Mall's "Restaurant Row" primarily along its Route 38 frontage includes Maggiano's Little Italy Restaurant, Seasons 52, Capital Grill, California Pizza Kitchen and the Grand Luxe Restaurant, a high-end eatery owned by California Cheesecake Factory.

As a result of these types of investments, properties along the Township's major road corridors are experiencing significant investments. Cherry Hill's Crowne Plaza Hotel is the thirteenth largest meeting and conference facility in New Jersey with over 43,000 square feet of exhibit/banquet space. They recently completed a multi- million dollar upgrade to all their 450+ hotel rooms.

New retail stores have opened along Haddonfield Road (which links both the Mall and Garden State Park) and includes a Beneficial Bank, Chipotle, Pier One, Turning Point, Zoe's Mediterranean Restaurant, PDQ and other services, restaurants and retail shops. A "Super" Wawa convenience store and retail fuel station also opened north of the Mall, and another has received Planning Board approval to be built across from the Garden State Park.

Several other new project properties along Haddonfield Road have been recently approved; a new development that includes an entire block for a new retail center, which was just recently completed and includes a Mod Pizza, a Wag & Wash, a Luxe Nail & Spa and a Jimmy John's Sandwich Shop. AT&T will soon relocate a new store to this property, as part of Phase II of this redevelopment.



The 1.8 mile length of the Haddonfield Road corridor from Church Rd to Rt. 70 includes the Cherry Hill Mall, the Garden State Park development and numerous other retail, dining and service businesses. This strip alone results in approximately \$1.1+ billion in retail sales each year.

Every neighborhood and business zone within Cherry Hill is conveniently accessed via major state and regional highways such as Routes 70 and 38 and I-295, with neighboring access to the New Jersey Turnpike, as well. Center City Philadelphia and its center of employment, entertainment and recreation, healthcare, higher-education and cultural institutions is just 15 minutes away and can be easily accessed by car or train.

Cherry Hill is committed to job creation, "Smart Growth" and innovative redevelopment, (including investments in infrastructure and long-term strategic planning); this has resulted in significant private investment. Class "A" office developments such as the Commerce Center (including its approvals for a recent expansion of a fourth building), Woodland Falls Corporate Park, the Liberty View Center, the redevelopment of the Woodcrest Corporate Center and the new development at Garden State Park Office Center demonstrate the success and desirability of the Township as a corporate location. Several mature properties have been before the Township for an array of improvements to the physical plant, mechanicals, signage and landscape to keep these prime properties competitive in today's market.

At the Executive Campus (located between Routes 38 and 70), property owners have upgraded the campus which was originally built in the mid-1970s and 80s. Various services for Cooper Health Systems, and Campbell's Soup, Lockheed-Martin, Subaru, regional offices for NJ Department of Transportation and many other large and small companies are located here.

In the Springdale area, the Cherry Hill Business Park is home to Baxter Health Care's research and development facility, StonHard manufacturing and many other corporations in a continually expanding, high-tech complex, including the Forgotten Boardwalk Brewery, a local craft micro-brewery facility.

Healthcare as a Driving Economic Force:

The Township's economic development initiatives have focused on attracting a wide range of first-class healthcare services, utilizing the latest in medical technology.

As highlighted above, Kennedy University Health System operates a modern fully-equipped hospital with 225 in-patient beds and employs a workforce of 1,100 professionals and service staff. Kennedy Health Systems has recently merged with Jefferson Health of Philadelphia.

Cherry Hill's outpatient medical facilities portfolio includes Wills Eye Surgical Center, Independence Rehabilitation Services, and others including three (3) major regional hospitals, which have opened facilities in the Township: Penn Medicine, Cooper University Healthcare and Our Lady of Lourdes Healthcare System. As reported above, Cooper Health has received Planning Board approval for a 98,000 SF specialty care facility and is expected to commence construction soon.

Also, Lourdes has opened a 55,000 SF outpatient facility that focuses on Cardiovascular, Orthopedics and Sports Medicine and various support therapies, diagnostic imaging services, and urgent care facilities. Med Express, Patient First and several other providers have opened urgent care facilities. Virtua Health recently completed construction and opened a new outpatient, family medicine and imaging facility along Route 70, which also included the renovation of a family practice in an adjacent building at an adjoining property.



As highlighted above, the former SYMS department store was transformed into a regional medical center for Penn Medicine. The project was recently completed and included the renovation of a 152,000+ SF to an existing structure, plus the construction of a 400+ car parking structure.

The Township is also home to several assisted living centers including Arden Courts, Brighton Gardens, AristaCare, Cherry Hill Senior Living (formally New Seasons), Cadbury, Silver Care and Spring Hill. Benedict's Place, a 3-story, 74-unit senior apartment building at the St. Mary's long-term care campus, opened in 2014; and 136 units of senior independent living apartments were renovated along with new upgrades and a community center on the same campus. Additionally, a new 37-unit senior housing project completed construction and opened at the beginning of 2016 at the St. Thomas Greek Orthodox Church.

Community Planning

Cherry Hill 71,000+ residents live in approximately 27,000 households that live in single-family detached units, apartment and condominiums, townhouse and senior living residences. Renters occupy approximately 3,450+ units, including the fully rebuilt two (2) towers of Cherry Hill Apartment complex and upgraded Grande apartment towers. The Dwell, a 233 rental unit community opened in July 2012.

An effort has been made to locate non-residential development near major highways to assist with site accessibility and to minimize impact and encroachment on existing residential neighborhoods.

Mayor Chuck Cahn instituted both the Citizens' Cabinet and Business Council; they meet on an alternating monthly schedule. Members act as ambassadors to the residential neighborhoods and the business community, respectively, and communicate regarding community-wide issues.

The Township will be engaging in a Master Plan overhaul in year 2017 to examine shifts in economic and growth management trends and focus on areas in need of additional redevelopment and preservation.

Sustainability

Sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs. In short, the essence of sustainability is leaving a planet to future generations that will still be able to provide them with sustenance, shelter, and economic opportunities.

The Township is in a unique position to partner with local residents and business owners regarding sustainable development by both incorporating sustainable practices into municipal activities and using the relationship to communicate ways to practice sustainability at home and in business. Sustainable New Jersey re-designated the Township as "Silver;" presently the highest rank for a municipality. In 2014 Cherry Hill was the recipient of Sustainable Jersey's Sustainability Champion Award. In May 2016, Cherry Hill launched a new second generation Sustainability Plan to provide a roadmap for the Township to practice sustainability in its own actions, guide and partner with property owners towards energy efficient "green" building and site design, and help residents, workers and visitors incorporate green practices into their everyday lives.

Transportation and Infrastructure Investments

The Township is located between New York City and Washington, D.C. with close proximity to Philadelphia. The Township has access to the following: the NJ Turnpike and I-295, (the primary interstate routes along the New York-Washington corridor), as well as state Routes 38 and 70 which provide access to Philadelphia and throughout southeastern New Jersey and the Jersey Shore points.

New Jersey Transit provides bus transportation and operates a rail station linking Cherry Hill with Philadelphia and Atlantic City. PATCO (Port Authority Transit Company) provides high speed rail line transportation with stations connecting to Philadelphia towards the west, Lindenwold (towards the east with connections to Atlantic City) and all points in between that link the suburbs with Camden (and its centers of higher education such as Rowan and Rutgers' Universities, Camden County College, healthcare providers, and regional entertainment and job sources).

The Township continues its community-wide review of traffic intersections, monitoring turning movements, vehicle flows and accidents. Based on the on-going analysis, many traffic signals have been upgraded to improve their performance, convenience and safety for both motorists and pedestrians.

The Township has adopted a Complete Streets policy designed to make the township's roads safer and more accessible for everyone. This new initiative will create a comprehensive, integrated

multi-modal transportation network by connecting bicycling and walking in all the township's future street and sidewalk transportation projects.

Complete Streets is a holistic approach to promoting joint use of roadways by all users, including pedestrians, motorists, bicyclists, seniors, children, and those with limited mobility. The program dovetails with the Township's Bicycle and Pedestrian Master Plan and the Mayor's Wellness Campaign to build towards healthier community. The initiative provides the Township with a comprehensive plan to achieve that goal and ultimately make Cherry Hill a safer, healthier and more accessible place for everyone to live, work and play.

The integration of sidewalks and bicycle lanes on road networks and within park facilities such as Springdale Road, Kings Highway South, Park Boulevard, Cooper River Park and Kresson Road (to be completed), has led to recognition and highlighting of Cherry Hill Township's Complete Streets Program by the New Jersey Department of Transportation (NJDOT), the Federal Highway Administration (FHWA), the Rutgers University Voorhees Transportation Center (VTC), the Delaware Valley Regional Planning Commission (DVRPC) and the Cross County Connection Transportation Management Association (CCC TMA).

EDUCATION (1)

As of October 15, 2016, the Cherry Hill Public School System (the "School System") had nineteen (19) operating schools; twelve (12) elementary, three (3) middle, two (2) senior high schools, one (1) early childhood center and one (1) alternate high school program.

In 1999, the Rosa Administration Building was converted to a third middle school which serves as a magnet school for the renowned International Baccalaureate Program. Central Administration and the alternative high school have moved to the Malberg building which was previously the site of the Early Childhood Center. The Early Childhood Center has moved to the Barclay School.

School District Enrollments(1)(2)

<u>Grade</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PS, IB, PK, K	746	734	760	770	793
1	673	649	702	719	701
2	669	692	713	710	699
3	688	731	716	698	671
4	714	712	698	676	720
5	699	692	693	722	694
6	705	722	737	702	741
7	733	750	712	754	706
8	766	725	754	705	761
9	745	745	725	761	757
10	758	734	783	782	758
11	738	799	778	753	794
12	791	770	737	760	788
Spec. Ed.	<u>1,619</u>	<u>1,668</u>	<u>1,717</u>	<u>1,747</u>	<u>1,793</u>
	<u>11,044</u>	<u>11,123</u>	<u>11,225</u>	<u>11,259</u>	<u>11,376</u>

Present School Facilities, Enrollment and Capacity(1)(2)

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Functional Grades</u>	<u>10/15/16 Enrollment</u>	<u>Functional Capacity(3)</u>
Barclay	1958	1999	Preschool-K Preschool Disabled	291	Not Avail.
Barton	1966	1994;2000	K-5; Sp. Ed.	486	649
Cooper	1970	2000	K-5; Sp. Ed.	256	446
Harte	1968	1969;2000	K-5; Sp. Ed.	425	658
Johnson	1966	1994;2000	K-5; Sp. Ed.	421	693
Kilmer	1969	2000	K-5; Sp. Ed.	450	624
Kingston	1955	60/62; 2009	K-5; Sp. Ed.	406	671
Knight	1964	1994;2000	K-5; Sp. Ed.	364	566
Mann	1963	1994;2000	K-5; Sp. Ed.	307	583
Paine	1968	1994;2000	K-5; Sp. Ed.	350	570
Sharp	1965	1968;2000	K-5; Sp. Ed.	353	645
Stockton	1970	1994;2000	K-5; Sp. Ed.	374	633
Woodcrest	1958	1982;2000;2009	K-5; Sp. Ed.	364	491
Beck	1971	1999	6-8; Sp. Ed.	916	1,055
Carusi	1962	1964;1994;2000;2009	6-8; Sp. Ed.	917	1,126
Rosa (Magnet Middle School)	1961	1998;1999;2000;2009	6-8; Sp. Ed.	809	1,000
East	1967	1968;2000;2001;2009	9-12; Sp. Ed.	2,187	3,241
West	1956	60/64;1994;2000; 2009	9-12; Sp. Ed.	1,339	2,140
Malberg	1969	1999	Alt. H.S	<u>29</u>	<u>96</u>
				<u>11,044</u>	<u>15,887</u>

(1) Source: School District officials

(2) As of October 15 of each year, excluding students in special education programs outside the district.

(2) Source: The Board of Education of the Township of Cherry Hill Coordinator/Budget Finance.

(3) Capacity for 2004-2005 taken from the 1996-2001 long range facility plan. Rosa capacity is an estimate.

In addition to an award winning and highly-credentialed school district, the Township also offers many private school options.

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), is a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. As of September, 2016, there were approximately 5,021 undergraduate students and 1,454 graduate students.

Camden County College

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

As of the Fall of 2016, full time enrollment was 5,181 and part-time enrollment was 5,816 for a total of 10,997.

Camden County Technical Schools

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

For high school students, there are 37 career programs from which to choose. For the 2016-2017 school year, 1,286 students are enrolled at the Gloucester Township Campus, and 729 at the Pennsauken Campus, including 387 Special Education Students. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

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

CERTAIN FINANCIAL INFORMATION

LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2017 Assessed Valuation</u>
Cherry Hill Center	Regional Mall	\$402,000,000
Cherry Hill Retail Partners, LLC	Garden State Park Box Stores	68,000,000
FC CH LLC and NM Cherry Hill	Penn Medical Building	59,900,000
Grand Cherry Hill Owner, LLC	The Grand Apartments	52,000,000
Cherry Hill Towne Center Partners	Garden State Park Restaurants	40,811,400
Behringer Harvard	Borough's Mill Apartments	35,000,000
Cherry Hill Towers, LLC	Cherry Hill Towers Apartments	33,300,000
Federal Realty Investment Trust	Ellisburg Shopping Center	27,681,900
Camden Holdings, LLC	Walmart Shopping Center	24,387,800
Macy's East, Inc.	Macy's Department Store	23,800,000
Dwell Cherry Hill LLC	Dwell Apartments	23,170,300
Bishops View Apartments Owner LLC	Bishops View Apartments	22,887,000
3 Ecch Owner LLC	3 Executive Campus Office Bldg	20,994,900
EQR-Cherry Hill LLC	Highland Apartments	19,500,000
Garden State Pavilions Center LLC	Pavilions Shopping Center	19,384,000

CURRENT TAX COLLECTIONS(2)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Collection in Fiscal Year of Levy</u>		<u>Outstanding End of Fiscal Year</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2017(3)	\$304,400,127	\$303,997,353	99.87%	\$18,836	0.01%
2016	296,275,968	295,905,472	99.87	15,390	0.01
2015	294,857,999	294,532,815	99.89	21,938	0.01
2014	283,845,000	283,660,267	99.93	45,682	0.02
2013	284,552,394	284,015,611	99.81	26,297	0.01

DELINQUENT TAXES(2)

<u>Fiscal Year</u>	<u>Outstanding Beginning of Fiscal Year</u>		<u>Collected</u>		<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding End of Fiscal Year</u>
	<u>Added</u>		<u>Amount</u>	<u>Percentage</u>			
2017(3)	\$16,526	\$15,500	\$14,664	45.79%	---	\$13,862	\$3,500
2016	25,492	---	7,088	27.80	---	17,268	1,136
2015	61,481	2,583	52,567	82.05	---	7,943	3,554
2014	41,827	---	26,027	62.23	---	---	15,800
2013	59,314	---	43,785	73.82	---	---	15,529

(1) Source: Township's Tax Assessor

(2) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

(3) Source: Compiled Financial Statements (as of June 30).

TAX TITLE LIENS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Transfer to Foreclosed Property</u>	<u>Canceled</u>	<u>Balance End of Fiscal Year</u>
2017(3)	\$797,722	\$68,565	\$393,825	---	---	\$472,462
2016	575,768	253,288	31,335	---	---	797,721
2015	381,425	275,542	45,737	---	\$35,462	575,768
2014	323,494	70,441	12,510	---	---	381,425
2013	266,089	90,064	32,659	---	---	323,494

FORECLOSED PROPERTY(1)(2)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Foreclosed Taxes and Liens</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance End of Fiscal Year</u>
2017(3)	\$2,223,077	---	---	\$2,223,077
2016	2,223,077	---	---	2,223,077
2015	2,061,077	---	\$162,000	2,223,077
2014	2,061,077	---	---	2,061,077
2013	2,063,077	---	2,000	2,061,077

CURRENT SEWER UTILITY COLLECTIONS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>		<u>Collected in Fiscal Year of Levy</u>		<u>Outstanding End of Fiscal Year</u>	
	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
2017(3)	\$2,291	\$4,213,331	\$4,211,868	99.91%	\$3,579	.09%
2016	4,067	4,150,423	4,152,111	99.94	2,291	.06
2015	7,564	4,109,215	4,112,537	99.90	4,067	.10
2014	2,722	4,138,550	4,133,708	99.82	7,564	.19
2013	5,185	4,209,855	4,212,318	99.94	2,722	.06

SEWER UTILITY LIENS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Transfer to Foreclosed Property</u>	<u>Receipts</u>	<u>Balance End of Fiscal Year</u>
2017(3)	\$89	\$175	---	---	---	\$264
2016	181	89	\$181	---	---	89
2015	---	181	---	---	---	181
2014	---	---	---	---	---	---
2013	---	---	---	---	---	---

(1) Source: Annual Reports of Audit (as of June 30), unless otherwise noted.

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

(3) Source: Compiled Financial Statements (as of June 30).

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

Tax Rate(2)

<u>Calendar Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate(2)</u>							
		<u>Total</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>Fire District</u>	<u>County Open Space</u>
2017	\$7,724,406,428	3.981	0.885	2.199	0.543	0.010	0.034	0.288	0.022
2016	7,619,789,878	3.928	0.865	2.161	0.548	0.010	0.034	0.288	0.022
2015	7,584,322,338	3.866	0.855	2.112	0.546	0.010	0.032	0.289	0.022
2014	7,568,211,510	3.823	0.850	2.075	0.547	0.010	0.032	0.287	0.022
2013	7,564,599,160	3.744	0.805	2.036	0.551	0.010	0.028	0.292	0.022

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

<u>Calendar Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(4)</u>
2017	\$7,706,420,700	92.95%	\$8,290,931,361	\$116,700
2016	7,601,804,500	92.95	8,178,380,312	115,116
2015	7,566,402,300	94.62	7,996,620,482	112,557
2014	7,551,257,300	92.66	8,149,425,103	114,708
2013	7,544,295,600	95.36	7,911,383,809	111,357

REAL PROPERTY CLASSIFICATION(1)

<u>Calendar Year</u>	<u>Assessed Value</u>						
	<u>Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2017	\$7,706,420,700	\$77,084,800	\$5,361,193,700	\$1,831,478,200	\$162,637,300	\$268,852,100	\$5,174,600
2016	7,601,804,500	76,273,200	5,348,337,000	1,739,078,400	164,089,200	268,852,100	5,174,600
2015	7,566,402,300	72,762,700	5,337,646,700	1,726,096,800	170,726,700	253,995,100	4,997,100
2014	7,551,257,300	80,612,600	5,322,304,400	1,721,262,000	173,424,700	248,479,300	5,174,300
2013	7,544,295,600	83,261,600	5,310,627,200	1,727,121,400	183,270,200	234,420,400	5,594,800

(1) Source: Camden County Board of Taxation

(2) Per \$100 of assessed valuation

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

(4) Based upon 2010 Federal Census of 71,045

FUND BALANCE--CURRENT FUND(1)

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized In Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2017(2)	\$23,591,962	\$8,611,105	36.50%
2016	20,337,268	8,948,698	44.00
2015	17,881,992	7,530,085	42.11
2014	14,793,707	7,163,848	48.42
2013	14,695,463	5,423,759	36.91

FUND BALANCE—SEWER UTILITY OPERATING FUND(1)

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized In Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2017(2)	\$4,256,436	\$763,179	17.93%
2016	4,090,195	799,542	19.55
2015	3,674,721	700,000	19.05
2014	3,464,453	700,000	20.21
2013	3,110,090	700,000	22.51

(1) Source: Annual Reports of Audit (as of June 30)

(2) Source: Compiled Financial Statements (as of June 30).

**TOWNSHIP OF CHERRY HILL
STATEMENT OF INDEBTEDNESS(1)**

The following table summarizes the direct debt of the Township as of June 30, 2017. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer Utility, debt authorized by Another Public Body and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, debt authorized by Another Public Body, Reserve for Payment of Debt, as well as debt considered to be self-liquidating. The resulting net debt of \$117,967,147 represents 1.47% of the average of equalized valuations for the Township for the last three (3) years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	<u>Debt Issued</u>			Debt Authorized but not Issued	Gross Debt	<u>Deductions</u>			Net Debt
	<u>Bonds</u>	<u>Notes</u>	<u>Loans</u>			<u>School Debt</u>	<u>Self-Liquidating Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 62,885,000	\$ 29,135,352	\$ 5,474,696	\$ 20,975,604	\$ 118,470,652			\$ 503,505	\$ 117,967,147
Sewer	13,975,000	4,024,740		8,871,385	26,871,125		\$ 26,871,125		
School District	6,670,000				6,670,000	\$ 6,670,000			
	<u>\$ 83,530,000</u>	<u>\$ 33,160,092</u>	<u>\$ 5,474,696</u>	<u>\$ 29,846,989</u>	<u>\$ 152,011,777</u>	<u>\$ 6,670,000</u>	<u>\$ 26,871,125</u>	<u>\$ 503,505</u>	<u>\$ 117,967,147</u>

(1) As of June 30, 2017

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016	\$8,040,394,456
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016	1.47%
2017 Net Valuation Taxable	\$7,724,406,428
2017 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$8,308,917,089
Gross Debt (3):	
As a percentage of 2017 Net Valuation Taxable	1.97%
As a percentage of 2017 Equalized Valuations	1.83%
Net Debt (3):	
As a percentage of 2017 Net Valuation Taxable	1.53%
As a percentage of 2017 Equalized Valuations	1.42%
Gross Debt Per Capita (4)	\$2,140
Net Debt Per Capita (4)	\$1,660

TOWNSHIP BORROWING CAPACITY(1)(2)

3.5% of Averaged (2014-16) Equalized Valuation of Real Property including Improvements (\$8,040,394,456)	\$281,413,806
Net Debt	<u>117,967,147</u>
Remaining Borrowing Capacity	<u><u>\$163,446,659</u></u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)(2)

4% of Averaged (2014-16) Equalized Valuation of Real Property including Improvements (\$8,040,394,456)	\$321,615,778
Local School Debt	<u>6,670,000</u>
Remaining Borrowing Capacity	<u><u>\$314,945,778</u></u>

-
- (1) As of June 30, 2017
 - (2) Source: Township Auditor
 - (3) Excluding overlapping debt
 - (4) Based on Federal 2010 Census of 71,045

**TOWNSHIP OF CHERRY HILL
OVERLAPPING DEBT AS OF DECEMBER 31, 2016**

	DEBT ISSUED				
<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>	
County of Camden(1):					
General:					
Bonds	\$ 38,850,000	\$ 9,347,201 (2)	\$ 29,502,799	\$ 6,396,207 (4)	\$ 35,665,125
Loan Agreements	310,969,957		310,969,957	67,418,287 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	288,955,187	288,955,187 (3)			
Township of Cherry Hill Fire District(5)	11,460,000		11,460,000	11,460,000	
	<u>\$ 650,235,144</u>	<u>\$ 298,302,388</u>	<u>\$ 351,932,756</u>	<u>\$ 85,274,494</u>	<u>\$ 35,665,125</u>

(1) Source: County of Camden

(2) Includes Reserve for Payment of Bonds, Other Accounts R`

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2016 Net Valuation on which County taxes are apportioned, which is 21.68%.

(5) Source: Entity's Audit Report

Camden County Municipal Utilities Authority

The CCMUA is a public body politic and corporate of the State and was originally created as the Camden County Sewerage Authority ("Sewerage Authority") by a resolution of the County Board of Chosen Freeholders ("County Board") adopted December 5, 1967. The Sewerage Authority was reorganized in 1972 as a utilities authority and changed its name to the CCMUA pursuant to a resolution of the County Board adopted April 13, 1972. The CCMUA operates under the supervision of nine (9) commissioners who are appointed by the County Board for five (5) year staggered terms. The County has entered into a Deficiency Agreement with the CCMUA ("Deficiency Agreement") whereby the County is obligated to pay to the CCMUA any annual charges equal to any deficits in CCMUA revenues necessary to pay or provide for (i) operation and maintenance expenses of the CCMUA's regional sewer system, (ii) principal and interest payments on bonds and notes of the CCMUA in an aggregate principal amount not to exceed \$685,500,000 and (iii) the maintenance of reserves required under the Bond Resolution securing the CCMUA's bonds and notes. The obligation of the County, pursuant to the provisions of the Deficiency Agreement, is a direct and general obligation of the County, and any annual charges are ultimately payable by the County to meet its obligations under the Deficiency Agreement. To date, no payments have been required to be made by the County pursuant to the Deficiency Agreement. The County and the CCMUA may agree to amend the Deficiency Agreement at any time to increase the obligation of the County thereunder.

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

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

The gross debt as of December 31, 2016 for the CCMUA was \$210,044,157. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

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

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2016 was \$338,635,000.

**TOWNSHIP OF CHERRY HILL
SCHEDULE OF OUTSTANDING DEBT SERVICE
BONDED DEBT ONLY (1)**

Fiscal Year Ended <u>June 30</u>	Present							Grand <u>Total</u>
	General			Sewer Utility			Total Sewer Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Total General Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>		
2018	\$ 7,095,000	\$ 2,379,037	\$ 9,474,037	\$ 1,110,000	\$ 451,613	\$ 1,561,613	\$ 11,035,649	
2019	7,345,000	2,128,419	9,473,419	1,150,000	412,088	1,562,088	11,035,506	
2020	7,645,000	1,826,844	9,471,844	1,185,000	370,663	1,555,663	11,027,506	
2021	8,135,000	1,478,069	9,613,069	1,265,000	322,013	1,587,013	11,200,081	
2022	7,930,000	1,111,919	9,041,919	1,300,000	266,363	1,566,363	10,608,281	
2023	8,295,000	731,994	9,026,994	1,390,000	205,188	1,595,188	10,622,181	
2024	8,640,000	384,194	9,024,194	1,435,000	154,050	1,589,050	10,613,244	
2025	2,540,000	178,806	2,718,806	590,000	122,488	712,488	3,431,294	
2026	2,600,000	122,513	2,722,513	605,000	109,950	714,950	3,437,463	
2027	2,660,000	61,950	2,721,950	620,000	96,338	716,338	3,438,288	
2028				635,000	82,388	717,388	717,388	
2029				650,000	67,306	717,306	717,306	
2030				665,000	51,869	716,869	716,869	
2031				680,000	35,244	715,244	715,244	
2032				695,000	18,244	713,244	713,244	
	<u>\$ 62,885,000</u>	<u>\$ 10,403,743</u>	<u>\$ 73,288,743</u>	<u>\$ 13,975,000</u>	<u>\$ 2,765,800</u>	<u>\$ 16,740,800</u>	<u>\$ 90,029,543</u>	

(1) As of June 30, 2017

**SCHEDULE OF OUTSTANDING DEBT SERVICE
LONG TERM LOANS ONLY (1)**

Fiscal Year Ended <u>June 30</u>	Present		
	General		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 628,189	\$ 132,330	\$ 760,519
2019	644,284	114,018	758,302
2020	671,345	94,813	766,158
2021	679,508	74,703	754,211
2022	700,541	53,837	754,378
2023	726,067	31,978	758,045
2024	320,605	18,595	339,200
2025	326,599	14,143	340,742
2026	330,451	9,480	339,931
2027	226,753	5,325	232,078
2028	220,355	1,775	222,130
	<u>\$ 5,474,696</u>	<u>\$ 550,998</u>	<u>\$ 6,025,694</u>

(1) As of June 30, 2017

**TOWNSHIP OF CHERRY HILL
FISCAL YEAR 2018 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$8,611,105
Local Revenues	5,347,282
State Aid Without Offsetting Appropriations	8,775,844
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	1,300,000
Special Items of Revenue with Consent of DLGS:	
Public and Private Revenues	295,936
Other Special Items	534,891
Receipts from Delinquent Taxes	10,000
Amount to be Raised from Taxation	<u>44,232,969</u>
Total Anticipated Revenues	<u><u>\$69,108,027</u></u>
Appropriations:	
General Appropriations for Municipal Purposes within "CAPS"	\$50,481,207
Excluded from "CAPS":	
Other Operations	3,083,305
Public and Private Progs Offset by Revs.	329,460
Capital Improvements	1,030,337
Municipal Debt Service	12,750,512
Reserve for Uncollected Taxes	<u>1,433,206</u>
Total Appropriations	<u><u>\$69,108,027</u></u>

SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$763,179
Rents	3,800,000
Miscellaneous	10,000
Sewer Connection Fees	25,000
Sewer Assessment Fund Balance	<u>6,066</u>
Total Anticipated Revenues	<u><u>\$4,604,245</u></u>
Appropriations:	
Salaries and Wages	\$1,455,000
Other Expenses	1,167,500
Third Party Sewer Authority	40,000
Debt Service	1,664,245
Statutory Expenditures	<u>277,500</u>
Total Appropriations	<u><u>\$4,604,245</u></u>

**TOWNSHIP OF CHERRY HILL
CAPITAL BUDGET
Projects Scheduled for the Fiscal Years 2018-2023**

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>SFY 2018 Budget Appropriations</u>	<u>Capital Improvement Fund</u>	<u>Debt Authorized Bonds and Notes</u>	
				<u>General</u>	<u>Self- Liquidating</u>
Municipal Projects:					
Road Improvements	\$4,221,703		\$201,735	\$4,019,967	
Parks and Recreation	2,000,000		100,000	1,900,000	
DPW Equipment and Vehicles	465,450		23,273	442,178	
IT	217,680		10,884	206,796	
Administration Projects:					
Building Renovations and Equipment	288,900		14,445	274,455	
In-Car Camera System Replacement	90,000	\$90,000			
Microsurfacing	475,000	475,000			
Open Space Purchase	2,300,000		115,000	2,185,000	
Sewer Utility Upgrades:					
DPW Sanitary Sewer Equipment and Upgrades	401,250				\$401,250
Sanitary Sewer System Upgrades	342,400				342,400
TOTAL PROJECTS	\$10,802,383	\$565,000	\$465,337	\$9,028,396	\$743,650

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS OF THE
TOWNSHIP OF CHERRY HILL
FOR THE FISCAL YEARS ENDED
JUNE 30, 2017, 2016, 2015, 2014 AND 2013**

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Council
of Cherry Hill
Cherry Hill, New Jersey 08002

Management is responsible for the accompanying financial statements of the Township of Cherry Hill, in the County of Camden, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of June 30, 2017 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, and the related notes to the financial statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Cherry Hill on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The financial statements for the fiscal years ended June 30, 2016, 2015, 2014 and 2013 were audited by us and we expressed adverse opinions under accounting principles generally accepted in the United States of America because of the significance of the matter discussed in the preceding paragraph; and unqualified opinions on the regulatory basis of accounting in our reports for those years. Our most recent report (June 30, 2016) was dated December 21, 2016, but we have not performed any auditing procedures since that date.

Respectfully submitted,

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

/s/ Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 9, 2017

TOWNSHIP OF CHERRY HILL
CURRENT FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

ASSETS	As of June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Cash	\$28,430,624	\$34,610,826	\$30,038,087	\$24,841,935	\$24,511,726
Federal, State and Other Grants Receivable	769,057	456,998	444,665	464,924	500,720
Due from State of New Jersey	3,404,542	329,623	347,455	313,089	392,741
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	22,436	16,526	25,492	61,481	41,826
Tax Title Liens Receivable	472,462	797,722	575,768	381,425	323,494
Property Acquired for Taxes-- Assessed Valuation	2,223,077	2,223,077	2,223,077	2,061,077	2,061,077
Revenue Accounts Receivable	86,715	83,273	264,901	262,977	264,901
Interfunds Receivable	6,439	5	6	1,246,730	38,490
Deferred Charges:					
Special Emergency Appropriations			340,000	680,000	1,020,000
	<u>\$35,415,353</u>	<u>\$38,518,050</u>	<u>\$34,259,450</u>	<u>\$30,313,638</u>	<u>\$29,154,974</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$5,139,233	\$5,627,819	\$3,474,521	\$1,608,870	\$789,539
Accounts Payable	117,633	192,132	45,000	231	199,745
Fire District Taxes Payable		4,931,254	4,928,667	4,894,242	4,956,342
Reserve for Encumbrances	1,839,376	2,855,895	2,387,657	3,138,144	2,876,522
Interfunds Payable	31,936		768,831		461,842
Prepaid Revenues	698,228	684,093	671,822	403,913	493,121
Tax Overpayments	9,845	19,260	9,315	13,941	20,445
Special Emergency Notes Payable				680,000	1,020,000
Other Liabilities and Special Funds	62,645	39,444	31,277	27,414	23,826
Reserve for Revaluation			279,274	331,372	371,891
Reserve for Receivables and Other Assets	2,811,129	3,120,603	3,089,244	4,013,691	2,729,788
Reserve for Federal and State Grants	1,113,366	710,282	691,851	408,115	516,451
Fund Balance	<u>23,591,962</u>	<u>20,337,268</u>	<u>17,881,992</u>	<u>14,793,707</u>	<u>14,695,463</u>
	<u>\$35,415,353</u>	<u>\$38,518,050</u>	<u>\$34,259,450</u>	<u>\$30,313,638</u>	<u>\$29,154,974</u>

- (1) Unaudited. See Accountant's Compilation Report
(2) Audited Financial Statements. See Accountant's Compilation Report

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

**TOWNSHIP OF CHERRY HILL
CURRENT FUND**

Statements of Operations and Changes in Fund Balance--Regulatory Basis

	For the Year Ended June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Revenue Realized:					
Current Tax Collections	\$303,997,353	\$295,905,472	\$294,532,814	\$283,660,267	\$284,015,611
Delinquent Tax Collections	408,490	38,423	98,304	38,537	76,445
Total Taxes	304,405,843	295,943,895	294,631,118	283,698,804	284,092,056
Miscellaneous Revenues	19,745,420	19,729,745	17,725,068	17,607,074	18,322,925
Other Income	6,384,023	4,159,844	4,927,538	2,616,386	1,728,719
Fund Balance Utilized	8,948,698	7,530,085	7,163,848	5,423,759	5,313,000
Total Income	339,483,985	327,363,569	324,447,571	309,346,023	309,456,700
Expenditures and Encumbrances:					
Operating	48,780,376	48,773,363	47,304,596	45,859,699	42,946,495
Capital Improvements	2,493,572	1,010,097	414,037	503,996	503,000
Debt Service	11,759,164	11,046,979	11,111,322	11,662,202	12,053,336
Deferred Charges	34,635	87,072	405,007	372,382	399,542
Pension and Social Security	5,137,482	4,899,055	4,706,505	4,359,644	6,459,808
Judgments			1,102,119		
County Taxes	68,836,928	66,957,895	68,079,277	61,710,809	64,474,571
Local District School Purposes	167,390,923	161,933,919	158,496,194	155,444,194	152,453,342
Municipal Open Space Tax	770,548	758,432	756,821	756,460	443,879
Fire District Taxes	22,043,036	21,910,217	21,819,123	21,907,435	22,028,184
Other Expenditures	33,928	1,180	437	1,247,200	38,489
Total Expenditures and Encumbrances	327,280,592	317,378,209	314,195,438	303,824,021	301,800,647
Statutory Excess to Fund Balance	12,203,393	9,985,361	10,252,133	5,522,003	7,656,053
Fund Balance Beginning of Year	20,337,268	17,881,992	14,793,707	14,695,463	12,352,410
	32,540,661	27,867,353	25,045,840	20,217,466	20,008,463
Decreased by:					
Utilized as Revenue	8,948,698	7,530,085	7,163,848	5,423,759	5,313,000
Fund Balance Ending of Year	\$23,591,962	\$20,337,268	\$17,881,992	\$14,793,707	\$14,695,463

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

	As of June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
ASSETS					
Cash	\$1,788,048	\$1,162,062	\$2,427,683	\$49,819	\$3,803,829
Interfunds Receivable					
Grants Receivable	73,042	73,042	400,000	313,542	260,542
Due from Camden County Improvement Authority	41	7	7	95,554	178,957
Deferred Charges to Future Taxation: Amount to be Provided for Retirement of Obligations Under Capital Lease		8,475,000	9,690,000	10,855,000	11,980,000
Funded	68,359,696	73,121,857	80,278,982	88,917,040	95,703,580
Unfunded	50,110,956	36,223,073	23,598,485	15,758,388	9,725,020
	<u>\$120,331,783</u>	<u>\$119,055,041</u>	<u>\$116,395,157</u>	<u>\$115,989,343</u>	<u>\$121,651,928</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds and Loans Payable	\$68,359,696	\$73,121,857	\$80,278,982	\$88,917,040	\$95,703,580
Bond Anticipation Notes	29,135,352	13,299,800	8,294,000		
Obligations Under Capital Leases		8,475,000	9,690,000	10,855,000	11,980,000
Improvement Authorizations:					
Funded	176,518			123,354	188,709
Unfunded	8,497,723	4,635,838	4,854,305	6,506,308	8,499,023
Capital Improvement Fund		2,370	2,370	2,370	2,370
Contracts Payable	4,611,154	10,147,910	2,612,636	1,589,910	1,732,788
Interfunds Payable			5	1,226,056	1,613
Reserves for Payment of Debt	503,505	262,730	496,476	404,994	404,994
Reserves for Grant Receivable				1,360	1,360
Other Liabilities and Special Funds	8,877,655	8,939,454	9,996,302	6,098,682	2,943,321
Reserve for Construction of Library and Recreation Fields	41	7	7	95,554	68,926
Fund Balance	170,139	170,075	170,074	168,714	125,244
	<u>\$120,331,783</u>	<u>\$119,055,041</u>	<u>\$116,395,157</u>	<u>\$115,989,343</u>	<u>\$121,651,928</u>

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

ASSETS	As of June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Operating Fund:					
Cash	\$5,001,591	\$4,666,416	\$4,410,551	\$3,894,728	\$3,571,217
Receivables with Full Reserves:					
Consumer Accounts Receivable	3,579	2,291	4,067	7,564	2,722
Liens Receivable	264	89	181		
Assessments Receivable	166,118	175,405	195,141	208,306	237,700
Interfund Receivables	179	98,190	40	119,637	126,167
Total Operating Fund	5,171,731	4,942,391	4,609,979	4,230,236	3,937,807
Capital Fund:					
Cash	354,618	869,036	2,595,111	1,248,512	2,330,992
Fixed Capital	41,112,164	41,112,164	41,112,164	41,112,164	41,112,164
Fixed Capital Authorized and Uncompleted	13,282,700	11,282,700	9,342,700	9,342,700	7,302,700
Total Capital Fund	54,749,482	53,263,900	53,049,975	51,703,376	50,745,856
Assessment Trust Fund:					
Cash	6,069	6,067	6,066	4,200	4,197
Assessments Receivable				1,868	1,868
Total Assessment Trust Fund	6,069	6,067	6,066	6,068	6,066
	\$59,927,282	\$58,212,358	\$57,666,020	\$55,939,679	\$54,689,729

(continued)

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

LIABILITIES, RESERVES AND FUND BALANCE	As of June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Operating Fund:					
Appropriation Reserves	\$435,011	\$322,953	\$445,963	\$193,339	\$90,605
Reserve for Encumbrances	90,948	145,410	86,580	185,132	321,533
Accrued Interest on Bonds and Notes	187,195	182,974	170,266	162,075	160,739
Accounts Payable	13,349	13,349	19,712	3,382	3,349
Prepaid Revenues	12,795	9,726	13,349	5,889	11,069
Interfunds Payable	6,037			95	
Reserve for Receivables	169,960	177,785	199,388	215,870	240,422
Fund Balance	4,256,436	4,090,195	3,674,721	3,464,453	3,110,090
Total Operating Fund	5,171,731	4,942,391	4,609,979	4,230,236	3,937,807
Capital Fund:					
Serial Bonds	13,975,000	15,050,000	16,090,000	17,150,000	18,170,000
Bond Anticipation Notes	4,024,740	2,794,400	3,000,000		
Improvement Authorizations:					
Funded				771,660	739,887
Unfunded	4,312,098	2,902,731	1,548,638	6,170,573	5,286,241
Interfunds Payable	176	98,189	40	52	71
Contracts Payable	577,804	906,729	468,732	1,248,657	1,693,633
Retained Percentage Due Contractors	13,591	20,937	22,537	8,908	3,586
Other Liabilities and Special Funds	4,322,334	5,042,176	6,413,288	1,906,788	1,523,699
Reserve for:					
Amortization	27,137,164	26,062,164	25,022,164	23,962,164	22,942,164
Deferred Amortization	386,575	386,575	386,575	386,575	386,575
Fund Balance			98,000	98,000	
Total Capital Fund	54,749,482	53,263,900	53,049,975	51,703,376	50,745,856
Assessment Trust Fund:					
Interfunds Payable	3	1		2	
Fund Balance	6,066	6,066	6,066	6,066	6,066
Total Assessment Trust Fund	6,069	6,067	6,066	6,068	6,066
	\$59,927,282	\$58,212,358	\$57,666,020	\$55,939,679	\$54,689,729

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund
Balance--Regulatory Basis

	For the Year Ended June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Revenue Realized:					
Fund Balance Utilized	\$799,542	\$700,000	\$700,000	\$700,000	\$700,000
Rents	4,211,868	4,152,292	4,112,537	4,133,707	4,212,319
Other Income	58,024	241,531	127,023	201,387	344,669
Other Credits to Income	358,891	451,197	311,409	172,825	83,507
Total Income	5,428,325	5,545,020	5,250,969	5,207,919	5,340,495
Expenditures and Encumbrances:					
Operating	2,615,000	2,598,318	2,536,480	2,343,076	2,042,014
Debt Service	1,607,541	1,592,729	1,596,003	1,585,898	1,610,680
Pension and Social Security	240,000	238,500	206,350	224,582	215,000
Deferred Charges			1,868		
Total Expenditures and Encumbrances	4,462,541	4,429,546	4,340,701	4,153,556	3,867,694
Excess in Revenue	965,784	1,115,474	910,268	1,054,363	1,472,801
Fund Balance Beginning of Year	4,090,195	3,674,721	3,464,453	3,110,090	2,337,289
Decreased by:	5,055,978	4,790,195	4,374,721	4,164,453	3,810,090
Utilized as Revenue	799,542	700,000	700,000	700,000	700,000
Fund Balance End of Year	\$4,256,436	\$4,090,195	\$3,674,721	\$3,464,453	\$3,110,090

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
TRUST FUND
Statements of Assets, Liabilities, Reserves and
Fund Balance--Regulatory Basis

ASSETS	As of June 30,				
	<u>2017(1)</u>	<u>2016(2)</u>	<u>2015(2)</u>	<u>2014(2)</u>	<u>2013(2)</u>
Cash	\$19,875,257	\$22,017,312	\$20,552,541	\$18,708,861	\$14,656,893
Grants Receivable	334,554	638,433	618,689	858,090	918,371
Interfunds Receivable	70,261	38,325	807,156	38,325	498,966
Accounts Receivable--Other	1,687,814	1,707,353	1,389,009	1,398,544	1,309,742
Deferred Charges	38,747	34,635	26,346	40,938	32,382
	<u>\$22,006,632</u>	<u>\$24,436,058</u>	<u>\$23,393,740</u>	<u>\$21,044,760</u>	<u>\$17,416,355</u>
LIABILITIES, RESERVES, AND FUND BALANCE					
Accounts Payable	\$266,126	\$268,822	\$246,238	\$265,072	\$266,868
Reserve for Encumbrances	142,846	217,601	157,045	92,333	41,962
Interfunds Payable	38,727	38,330	38,326	178,487	75,203
Reserve for Certain Assets Receivable	1,687,814	1,707,353	1,389,009	1,398,544	1,309,742
Reserve for Special Funds	19,220,712	21,306,120	20,730,165	18,529,867	14,947,456
Fund Balance	650,407	897,832	832,957	580,457	775,123
	<u>\$22,006,632</u>	<u>\$24,436,058</u>	<u>\$23,393,740</u>	<u>\$21,044,760</u>	<u>\$17,416,355</u>

(1) Unaudited. See Accountant's Compilation Report

(2) Audited Financial Statements. See Accountant's Compilation Report

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

TOWNSHIP OF CHERRY HILL
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Cherry Hill (hereafter referred to as the "Township") was incorporated as Delaware Township in 1844 and changed its name to Cherry Hill in 1961. It is located approximately ten miles east of the City of Philadelphia, PA. The population according to the 2010 census was 71,045.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator and Township Clerk.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Cherry Hill Public Library
1100 North Kings Highway
Cherry Hill, New Jersey 08034

The Library's financial statements are presented as a trust fund in the Township's financial statements in accordance with the provisions of N.J.A.C. 15:21-12.4 utilizing the same basis of accounting as the Township.

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

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

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

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

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

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

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

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

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

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

While there is no statutory requirement to do so, the Board of Trustees of the Cherry Hill Public Library adopts an annual budget for the Library prior to the start of each fiscal year in accordance with sound financial management practices. Whenever necessary, the Board of Trustees may amend the Library budget by resolution.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Cherry Hill School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2016 to June 30, 2017.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. In municipalities that which operate on a fiscal year (i.e. July 1 - June 30), operations is charged for the full amount of taxes required to be paid during the calendar year 2016 less one-half of the calendar year 2015 taxes, plus one-half of the full amount of taxes required to be paid during 2017. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Cherry Hill Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to June 30. In accordance with N.J.S.A. 40A:14-79, operations is charged for 56.25% of the full amount required to be raised by taxation for 2016 and 43.75% for 2017.

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2017, the Township's bank balances of \$57,052,380.64 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 55,682,559.45
Uninsured and Uncollateralized	<u>1,369,821.19</u>
Total	<u>\$ 57,052,380.64</u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$ 3.981</u>	<u>\$ 3.928</u>	<u>\$ 3.866</u>	<u>\$ 3.823</u>	<u>\$ 3.744</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.543	\$ 0.548	\$ 0.546	\$ 0.547	\$ 0.551
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
Municipal Library	0.034	0.034	0.032	0.032	0.028
County	0.885	0.865	0.855	0.850	0.805
County Open Space Preservation Trust Fund	0.022	0.022	0.022	0.022	0.022
Local School	2.199	2.161	2.112	2.075	2.036
Special District Rates - Fire	0.288	0.288	0.289	0.287	0.292

Note 3: PROPERTY TAXES (CONT'D)

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 7,724,406,428.00
2016	7,619,789,878.00
2015	7,584,322,338.00
2014	7,568,211,510.00
2013*	7,564,599,160.00

* Revaluation

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four fiscal years:

Comparison of Tax Levies and Collections

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate (1)</u>	<u>Underlying Rate (2)</u>
2017	\$ 304,400,127.42	\$ 303,997,352.69	99.87%	99.61%
2016	296,275,967.89	295,905,472.44	99.87%	99.37%
2015	294,857,999.39	294,532,814.47	99.89%	99.48%
2014	283,844,999.82	283,660,266.90	99.93%	99.47%
2013	284,552,394.02	284,015,610.84	99.81%	99.39%

(1) True Rate includes proceeds from an accelerated tax sale

(2) Underlying rate is calculated by excluding the proceeds from the accelerated tax sale

Delinquent Taxes and Tax Title Liens

<u>Fiscal Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 472,461.85	\$ 22,436.26	\$ 494,898.11	0.16%
2016	797,721.50	16,526.37	814,247.87	0.27%
2015	575,768.07	25,492.15	601,260.22	0.20%
2014	381,424.85	61,481.38	442,906.23	0.16%
2013	323,493.72	41,826.46	365,320.18	0.13%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on June 30 for the current and previous four fiscal years:

<u>Fiscal Year</u>	<u>Number</u>
2017	348
2016	351
2015	335
2014	35
2013	26

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, for the current and previous four fiscal years was as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 2,223,077.00
2016	2,223,077.00
2015	2,223,077.00
2014	2,061,077.00
2013	2,061,077.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2017	\$ 2,291.13	\$ 88.59	\$ 4,213,330.90	\$ 4,215,710.62	\$ 4,211,868.00
2016	4,066.63	180.60	4,150,423.31	4,154,670.54	4,152,291.91
2015	7,564.00	-	4,109,214.78	4,116,778.78	4,112,537.15
2014	2,721.53	-	4,138,549.96	4,141,271.49	4,133,707.49
2013	5,184.59	-	4,209,855.48	4,215,040.07	4,212,318.54

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current fiscal year and four previous fiscal years and the amounts utilized in the subsequent fiscal year's budgets:

Current Fund

<u>Fiscal Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 23,591,962.01	\$ 8,611,104.77	36.50%
2016	20,337,267.75	8,948,698.46	44.00%
2015	17,881,992.46	7,530,085.00	42.11%
2014	14,793,706.52	7,163,848.00	48.42%
2013	14,695,462.89	5,423,759.00	36.91%

Sewer Utility Fund

<u>Fiscal Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 4,256,436.14	\$ 763,179.38	17.93%
2016	4,090,194.59	799,542.36	19.55%
2015	3,674,721.03	700,000.00	19.05%
2014	3,464,453.42	700,000.00	20.21%
2013	3,110,090.21	700,000.00	22.51%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of June 30, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 6,439.12	\$ 31,935.51
Trust - Animal Control		401.88
Trust - Other	31,935.51	
Sewer Utility - Operating	179.36	6,037.24
Sewer Utility - Capital		176.42
Sewer Utility - Assessment		2.94
	<u>\$ 38,553.99</u>	<u>\$ 38,553.99</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the fiscal year 2017, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

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

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

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

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the fiscal year ended June 30, 2017 was 12.97% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS pension billing, the Township's estimated contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 is \$1,418,920.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$1,351,352.00, which was paid on April 1, 2017. Employee contributions to the plan during the fiscal year ended June 30, 2017 were \$800,231.72.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Township's contractually required contribution rate for the fiscal year ended June 30, 2017 was 27.13% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS pension billing, the Township's estimated contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 is \$3,442,396.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$3,278,472.00, which was paid on April 1, 2017. Employee contributions to the plan during the fiscal year ended June 30, 2017 were \$1,280,158.70.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the fiscal year ended June 30, 2017 is not known; however, its contractually required contribution rate for the fiscal year ended June 30, 2016 was 1.99% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the fiscal year ended June 30, 2017 is \$247,154, and was paid by April 1, 2017.

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

For the fiscal year ended June 30, 2017, employee contributions totaled \$5,802.32, and the Township's contributions were \$3,938.60.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At June 30, 2017, the Township's proportionate share of the PERS net pension liability was \$45,051,569.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.1521132065%, which was an increase of 0.0058827200% from its proportion measured as of June 30, 2015.

At June 30, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$4,629,725.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the fiscal year ended June 30, 2016, the Township's contribution to PERS was \$1,351,352.00, and was paid on April 1, 2017.

Police and Firemen's Retirement System - At June 30, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 76,811,092.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>6,450,227.00</u>
	<u>\$ 83,261,319.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.4020984639%, which was an increase of 0.0124536695% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was 0.4020984639%, which was an increase of 0.0124536695% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At June 30, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$8,550,411.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the fiscal year ended June 30, 2017, the Township's contribution to PFRS was \$3,278,472.00, and was paid on April 1, 2017.

At June 30, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is \$823,846.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 837,823.00	\$ -	\$ 837,823.00	\$ -	\$ 503,508.00	\$ 503,508.00
Changes of Assumptions	9,332,279.00	10,638,967.00	19,971,246.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,717,857.00	5,381,999.00	7,099,856.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,388,410.00	2,077,153.00	3,465,563.00	-	518,352.00	518,352.00
Township Contributions Subsequent to the Measurement Date	1,418,920.00	3,442,396.00	4,861,316.00	-	-	-
	<u>\$ 14,695,289.00</u>	<u>\$ 21,540,515.00</u>	<u>\$ 36,235,804.00</u>	<u>\$ -</u>	<u>\$ 1,021,860.00</u>	<u>\$ 1,021,860.00</u>

\$1,418,920.00 and \$3,442,396.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2018. These amounts are based on the April 1, 2018 contractually required contribution.

The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

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

Note 8: **PENSION PLANS (CONT'D)**

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

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

<u>Year Ending June 30,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 3,005,022.00	\$ 4,046,376.00	\$ 7,051,398.00
2019	3,005,022.00	4,046,376.00	7,051,398.00
2020	3,429,332.00	5,336,763.00	8,766,095.00
2021	2,888,273.00	3,341,336.00	6,229,609.00
2022	948,720.00	305,408.00	1,254,128.00
	<u>\$ 13,276,369.00</u>	<u>\$ 17,076,259.00</u>	<u>\$ 30,352,628.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the table on the following page:

Note 8: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 55,205,440.00</u>	<u>\$ 45,051,569.00</u>	<u>\$ 36,668,668.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Township's Proportionate Share of the Net Pension Liability	\$ 99,042,271.00	\$ 76,811,092.00	\$ 58,682,903.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>8,317,094.75</u>	<u>6,450,227.00</u>	<u>4,927,908.64</u>
	<u>\$ 107,359,365.75</u>	<u>\$ 83,261,319.00</u>	<u>\$ 63,610,811.64</u>

Pension Plan Fiduciary Net Position

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

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

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

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Four Plan Fiscal Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.1521132065%	0.1462304865%	0.1439880844%	0.1425286147%
Township's Proportionate Share of the Net Pension Liability	\$ 45,051,569.00	\$ 32,825,814.00	\$ 26,958,507.00	\$ 27,240,050.00
Township's Covered Payroll (Plan Measurement Period)	\$ 10,365,720.00	\$ 10,105,984.00	\$ 9,659,868.00	\$ 9,697,520.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	434.62%	324.82%	279.08%	280.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Four Fiscal Years)

	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Contractually Required Contribution	\$ 1,418,920.00	\$ 1,351,352.00	\$ 1,257,190.00	\$ 1,187,017.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,418,920.00)</u>	<u>(1,351,352.00)</u>	<u>(1,257,190.00)</u>	<u>(1,187,017.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Fiscal Year)	\$ 10,936,377.00	\$ 10,901,675.00	\$ 10,030,797.00	\$ 10,078,952.00
Township's Contributions as a Percentage of Covered Payroll	12.97%	12.40%	12.53%	11.78%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.4020984639%	0.3896447944%	0.3821037881%	0.3896929444%
Township's Proportionate Share of the Net Pension Liability	\$ 76,811,092.00	\$ 64,901,240.00	\$ 48,065,112.00	\$ 51,806,160.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>6,450,227.00</u>	<u>5,691,521.00</u>	<u>5,175,805.00</u>	<u>4,828,964.00</u>
Total	<u>\$ 83,261,319.00</u>	<u>\$ 70,592,761.00</u>	<u>\$ 53,240,917.00</u>	<u>\$ 56,635,124.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 12,733,756.00	\$ 12,283,612.00	\$ 12,210,420.00	\$ 12,284,960.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	603.21%	528.36%	393.64%	421.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Fiscal Years)

	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Township's Contractually Required Contribution	\$ 3,442,396.00	\$ 3,278,472.00	\$ 3,167,231.00	\$ 2,934,821.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(3,442,396.00)</u>	<u>(3,278,472.00)</u>	<u>(3,167,231.00)</u>	<u>(2,934,821.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Fiscal Year)	\$ 12,686,657.00	\$ 12,394,161.00	\$ 12,484,519.00	\$ 12,160,475.00
Township's Contributions as a Percentage of Covered Payroll	27.13%	26.45%	25.37%	24.13%

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

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: OTHER POST EMPLOYMENT BENEFITS

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description - The Township provides certain medical, dental and prescription drug benefits for retired employees, where such benefits are established and amended by various union contracts, separate employee agreements and Township policies.

The Township provides for partial payment of retired employees health, dental and prescription coverage until the retiree is eligible for Medicare benefits at age 65. The retired employee has a choice of benefit plans based on union contracts. The plans are administered by the Township; therefore, premium payments are made directly by the Township to the insurance carriers. A few employees have separate agreements for full subsidized health insurance plans for an agreed upon number of years. The Plan does not issue a separate financial report.

Funding Policy - Employees become eligible for retirement benefits based on having twenty-five (25) years of service with the Township. The currently the Township provides for partial funding of 50% of these benefits up to a maximum of \$4,500 to \$12,500 for most employees. A few employees have individual agreements for full funding of benefits. These amounts that are partially funded are based on negotiated contracts for union employees and Township policy for non-union employees. Partially funded retirees are required to reimburse the Township for any payments made in excess of the established maximum amounts. The funding requirements of the Township are subject to changes in union contracts and Township policy.

Note 9: OTHER POST EMPLOYMENT BENEFITS (CONT'D)

Retirees - The Township presently partially or fully funds its current retiree post employment benefit costs on a “pay-as you go” basis and, as shown above, receives annual contributions from retirees to offset at least 50% portion of this annual cost for most employees. The Township’s contributions and implied subsidy to the plan were as follows:

<u>Fiscal Year</u>	<u>Premium Actual Payment</u>	<u>Premium Implied Subsidy</u>	<u>Total Contribution</u>
2017	\$ 331,200.00	\$ 302,400.00	\$ 633,600.00
2016	349,100.00	295,100.00	644,200.00
2015	390,000.00	183,900.00	573,900.00

Future Retirees – If the Township’s financial statements were prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township would expense the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$2,550,000 at an unfunded discount rate of 4%. The Township is not authorized by New Jersey State regulatory authorities to fund the accrued liability other than actual fiscal year “pay-as you go” costs included in the Township’s annual budget

Annual OPEB Cost - For fiscal year June 30, 2017, the Township’s annual OPEB cost (expense) of \$2,358,648.00 for the plan was equal to the sum of the ARC, interest on the beginning net OPEB obligation and the adjustment to the ARC. The Township’s annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan were as follows:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Required Contribution (ARC)	\$ 2,550,000.00	\$ 2,550,000.00	\$ 2,550,000.00
Interest on the Net OPEB Obligation	496,848.00	427,200.00	350,000.00
Adjustment to the ARC	(688,200.00)	(591,800.00)	(490,000.00)
Annual OPEB Cost	2,358,648.00	2,385,400.00	2,410,000.00
Pay-as-You Go Cost (Existing Retirees)	(633,600.00)	(644,200.00)	(573,900.00)
Increase (Decrease) in the Net OPEB Obligation	1,725,048.00	1,741,200.00	1,836,100.00
Net OPEB Obligation, July 1	12,421,200.00	10,680,000.00	8,843,900.00
Net OPEB Obligation, June 30	\$ 14,146,248.00	\$ 12,421,200.00	\$ 10,680,000.00
Percentage of Annual OPEB Cost Contributed	26.9%	27.0%	23.8%

Note 9: OTHER POST EMPLOYMENT BENEFITS (CONT'D)

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date, the Township's Plan was 0% funded. The actuarial accrued liability for benefits was \$22,610,000, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,610,000. The covered payroll (annual payroll of active employees covered by the plan) was \$22,030,000. Actuarial valuations of any ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The funded status of the plan as of the three past actuarial valuation dates is as follows:

	July 1,		
	<u>2014</u>	<u>2012</u>	<u>2010</u>
Actuarial Accrued Liability (AAL)	\$ 22,610,000.00	\$ 20,870,000.00	\$ 17,325,100.00
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 22,610,000.00</u>	<u>\$ 20,870,000.00</u>	<u>\$ 17,325,100.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 22,030,000.00	\$ 21,350,000.00	\$ 19,680,259.00
UAAL as a Percentage of Covered Payroll	102.6%	97.8%	88.0%

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The actuarial assumptions included the following: a discount rate of four percent (4%) on future benefit costs per year; amortization basis level value, open, over 30 years; inflation rate of two and one-half percent (2.5%) per year; a medical cost trend rate starting at (9.5%) for first year, decreases by (.05%) per year through year ten, to (5%) thereafter. 100% of eligible retirees are expected to participate; 70% of males and 50% of females are considered married with married active assumed to choose two person coverage; spouses assumed to continued coverage upon death of former employee; assumed 100% of retirees who currently have health coverage will continue with same coverage. Adjustments were made to premium rates to reflect differences between retirees and active plan participants that are enrolled in the same insurance policies.

Note 10: COMPENSATED ABSENCES

Township employees are entitled to receive payment for current year's vacation and personal days upon termination of employment. Generally, such time cannot be carried over to the following year without the written consent of the Mayor.

Police personnel employed prior to 1987 are entitled to payment for accumulated sick leave after retirement in accordance with individual and union contracts. The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at June 30, 2017, accrued benefits for such compensated absences are valued at \$1,155,568.60.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding fiscal years. At June 30, 2017, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance June 30, 2017</u>	<u>Fiscal Year 2018 Budget Appropriation</u>
Animal Control Trust Fund:		
Deficit in Reserve for Animal Control Fund Expenditures	\$ 38,746.67	\$ 38,746.67

The appropriation in the fiscal year 2018 Budget as adopted is not less than that required by the statutes.

Note 13: LEASE OBLIGATIONS

At June 30, 2017, the Township had lease agreements in effect for the following:

- Capital:
 - Police Vehicles:
 - 5 Ford Interceptors
 - 13 Dodge Chargers
 - 9 Ford AWD Sedans
- Operating:
 - 18 Copiers

The following is an analysis of the Township's capital and operating leases:

Capital Leases - The following capital fixed assets were acquired by capital lease:

<u>Description</u>	<u>Balance at June 30,</u>	
	<u>2017</u>	<u>2016</u>
Vehicles	<u>\$ 376,021.78</u>	<u>\$ 659,538.14</u>

Future minimum lease payments under capital lease agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 211,646.94	\$ 8,984.96	\$ 220,631.90
2019	151,529.55	3,098.25	154,627.80
2020	<u>12,845.29</u>	<u>40.36</u>	<u>12,885.65</u>
	<u>\$ 376,021.78</u>	<u>\$ 12,123.57</u>	<u>\$ 388,145.35</u>

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

<u>Year</u>	<u>Amount</u>
2018	\$ 34,344.60
2019	34,344.60
2020	20,034.35

Rental payments under operating leases for the fiscal year 2017 were \$34,344.60.

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

General Obligation Refunding Bonds, Series 2005 - On May 15, 2005, the Township issued \$27,165,000.00 in General Obligation Refunding Bonds, consisting of \$25,490,000.00 General Improvement Refunding Bonds and \$1,675,000.00 Sewer Utility Refunding Bonds, with interest rates ranging from 4.0% to 5.0%, to advance refund \$26,755,000.00 outstanding General Obligation Bonds, Series 2001, with interest rates also ranging from 4.0% to 5.0%. The final maturity of the bonds is July 15, 2020.

General Obligation Refunding Bonds, Series 2012 - On September 27, 2012, the Township issued \$21,995,000.00 in General Obligation Refunding Bonds, consisting of \$18,390,000.00 General Improvement Refunding Bonds and \$3,605,000.00 Sewer Utility Refunding Bonds, with interest rates ranging from 2.0% to 5.0%, to advance refund \$23,412,000.00 outstanding General Obligation Bonds, Series 2004A, with interest rates ranging from 4.0% to 4.5%. The final maturity of the bonds is August 15, 2023.

General Obligation Bonds, Series 2012 - On October 16, 2012, the Township issued \$41,190,000.00 in General Obligation Refunding Bonds, consisting of \$30,020,000.00 General Improvement Bonds and \$11,170,000.00 Sewer Utility Bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is May 1, 2032.

General Obligation Refunding Bonds, Series 2013 - On April 24, 2013, the Township issued \$12,295,000.00 in General Obligation Refunding Bonds, consisting of \$10,415,000.00 General Improvement Refunding Bonds and \$1,880,000.00 Sewer Utility Refunding Bonds, with interest rates ranging from 0.48% to 4.0%, to currently refund \$12,935,000.00 outstanding General Obligation Refunding Bonds, Series 2003, with interest rates ranging from 3.75% to 4.3%. The final maturity of the bonds is July 15, 2019.

General Obligation Refunding Bonds, Series 2015 - On May 7, 2015, the Township issued \$10,690,000.00 in General Obligation Refunding Bonds, consisting of \$10,530,000.00 General Improvement Refunding Bonds and \$160,000.00 Sewer Utility Refunding Bonds, with an interest rate of 5.0%, to currently refund \$12,470,000.00 outstanding General Obligation Refunding Bonds, Series 2005, with interest rates ranging from 4.125% to 5.0%. The final maturity of the bonds is July 15, 2023.

General Obligation Bonds, Series 2017 - On March 23, 2017, the Township issued \$2,510,000.00 in General Improvement Bonds, with interest rates ranging from 3.0% to 4.0%, to provide funds to permanently finance the cost of two synthetic turf multi-use recreational fields at Cherry Hill High School East and Cherry Hill High School West and to pay certain costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds. The final maturity of the bonds is February 15, 2027. Pursuant to a Shared Services Agreement with the Township of Cherry Hill Board of Education, the Township entered into a debt service agreement with the Board of Education that requires the Board of Education to fund fifty percent (50%) of the Township's debt obligation for these bonds on an annual basis.

Note 14: CAPITAL DEBT (CONT'D)

General Obligation Bonds (Cont'd)

The following schedules represent the remaining debt service, through maturity, for general obligation bonds:

<u>Fiscal Year</u>	<u>General Improvements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 7,095,000.00	\$ 2,379,036.54	\$ 9,474,036.54
2019	7,345,000.00	2,128,418.76	9,473,418.76
2020	7,645,000.00	1,826,843.76	9,471,843.76
2021	8,135,000.00	1,478,068.76	9,613,068.76
2022	7,930,000.00	1,111,918.76	9,041,918.76
2023-2027	24,735,000.00	1,479,456.28	26,214,456.28
	<u>\$ 62,885,000.00</u>	<u>\$ 10,403,742.86</u>	<u>\$ 73,288,742.86</u>

<u>Fiscal Year</u>	<u>Sewer Utility Improvements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,110,000.00	\$ 451,612.50	\$ 1,561,612.50
2019	1,150,000.00	412,087.50	1,562,087.50
2020	1,185,000.00	370,662.50	1,555,662.50
2021	1,265,000.00	322,012.50	1,587,012.50
2022	1,300,000.00	266,362.50	1,566,362.50
2023-2027	4,640,000.00	688,012.50	5,328,012.50
2028-2032	3,325,000.00	255,050.04	3,580,050.04
	<u>\$ 13,975,000.00</u>	<u>\$ 2,765,800.04</u>	<u>\$ 16,740,800.04</u>

General Debt - New Jersey Environmental Infrastructure Loans

On November 10, 2005, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,500,000.00, at no interest, from the fund loan, and \$535,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to acquire property known as Bridge Hollow for the purpose of preserving open space and recreational purposes. Semiannual debt payments are due February 1st and August 1st through 2025.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$3,032,348.00, at no interest, from the fund loan, and \$1,075,000.00 at interest rates ranging from 3.4% to 5.0% from the trust loan. The proceeds were used to acquire property known as Briar and Browning Lanes property for the purpose of preserving open space and recreational purposes. Semiannual debt payments are due February 1st and August 1st through 2027.

Note 14: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 298,188.53	\$ 41,346.28	\$ 339,534.81
2019	304,283.60	37,975.47	342,259.07
2020	311,344.88	34,379.89	345,724.77
2021	304,507.85	30,660.85	335,168.70
2022	310,541.31	26,853.82	337,395.13
2023-2027	1,520,474.88	70,378.14	1,590,853.02
2028	220,354.82	1,775.00	222,129.82
	<u>\$ 3,269,695.87</u>	<u>\$ 243,369.45</u>	<u>\$ 3,513,065.32</u>

General Debt - Camden County Improvement Authority Loan

On September 7, 2007, the Township entered into a loan agreement with the Camden County Improvement Authority to provide \$4,500,000.00 at an interest rate of 4.46%. The proceeds of the loan were used to fund improvements to recreation fields. Provisions of the agreement require the Township to repay the loan in annual installments. The final maturity of the loan is August 1, 2022.

The following schedule represents the remaining debt service, through maturity, for the Camden County Improvement Authority loan:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 330,000.00	\$ 90,984.00	\$ 420,984.00
2019	340,000.00	76,043.00	416,043.00
2020	360,000.00	60,433.00	420,433.00
2021	375,000.00	44,042.50	419,042.50
2022	390,000.00	26,983.00	416,983.00
2023	410,000.00	9,143.00	419,143.00
	<u>\$ 2,205,000.00</u>	<u>\$ 307,628.50</u>	<u>\$ 2,512,628.50</u>

Note 14: CAPITAL DEBT (CONT'D)

Summary of Debt - The following schedule represents the Township's summary of debt for the current and two previous fiscal years:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 97,495,047.87	\$ 86,421,656.91	\$ 88,572,981.92
Bonds Issued by Another Public Body			
Guaranteed By the Township		8,475,000.00	9,690,000.00
Sewer Utility:			
Bonds and Notes	<u>17,999,740.00</u>	<u>17,844,400.00</u>	<u>19,090,000.00</u>
Total Issued	<u>115,494,787.87</u>	<u>112,741,056.91</u>	<u>117,352,981.92</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	20,975,604.24	22,923,273.41	15,304,485.41
Sewer Utility:			
Bonds and Notes	<u>8,871,385.00</u>	<u>8,101,725.00</u>	<u>5,956,125.00</u>
Total Authorized but not Issued	<u>29,846,989.24</u>	<u>31,024,998.41</u>	<u>21,260,610.41</u>
Total Issued and Authorized but not Issued	<u>145,341,777.11</u>	<u>143,766,055.32</u>	<u>138,613,592.33</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds/Notes	503,504.65	262,730.30	496,482.50
Bonds Issued by Another Public Body			
Guaranteed By the Township		8,475,000.00	9,690,000.00
Sewer Utility:			
Self-Liquidating	<u>26,871,125.00</u>	<u>25,946,125.00</u>	<u>25,046,125.00</u>
Total Deductions	<u>27,374,629.65</u>	<u>34,683,855.30</u>	<u>35,232,607.50</u>
Net Debt	<u><u>\$ 117,967,147.46</u></u>	<u><u>\$ 109,082,200.02</u></u>	<u><u>\$ 103,380,984.83</u></u>

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.47%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 6,670,000.00	\$ 6,670,000.00	
Sewer Utility	26,871,125.00	26,871,125.00	
General	118,470,652.11	503,504.65	\$ 117,967,147.46
	<u>\$ 152,011,777.11</u>	<u>\$ 34,044,629.65</u>	<u>\$ 117,967,147.46</u>

Net debt \$117,967,147.46 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$8,040,394,456.00, equals 1.47%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 281,413,805.96
Less: Net Debt	<u>117,967,147.46</u>
Remaining Borrowing Power	<u>\$ 163,446,658.50</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 5,069,433.93
Deductions:	
Operating and Maintenance Costs	\$ 2,855,000.00
Debt Service	<u>1,607,541.15</u>
Total Deductions	<u>4,462,541.15</u>
Excess in Revenue	<u>\$ 606,892.78</u>

Note 15: RISK MANAGEMENT

The Township 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.

Property and Liability Insurance - The Township maintains coverage for protection against such losses through a combination of commercial insurance, participation in the Camden County Municipal Joint Insurance Fund and self-insurance.

Note 15: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method." Under this method, the Township is required to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The expense for these benefits for the fiscal years ended June 30, 2017 and June 30, 2016 was \$73,948.23 and 69,700.97, respectively.

Joint Insurance Pool - The Township is a member of the Camden County Joint Municipal Insurance Fund, a public entity risk pool currently serving several municipalities, a county authority and a fire district, all within the State of New Jersey. In conjunction with the Camden County Joint Municipal Insurance Fund, excess coverages are maintained through the Municipal Excess Liability Joint Insurance Fund, also a public entity risk pool, serving multiple joint insurance funds. Coverages are provided by the Funds for theft, crime, surety, public official's liability, employment practices liability, general liability, property, flood, law enforcement, automobile insurance, worker's compensation claims, environmental claims and boiler and machinery.

Contributions to each Fund, including reserves for contingencies, are payable in two installments and are based on assumptions determined by each Funds' actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Funds' claim, loss retention or administrative accounts to assure the payment of each Funds' obligations. The Funds publish their own financial reports for the year ended December 31, which may be obtained from:

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

Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, NJ 07054

Self-Insurance Plan - The Township maintains self-insurance fund reserves in the Trust Other Fund for worker's compensation claims and property and general liability claims. As of June 30, 2017, the reserve for Worker's Compensation was \$1,273,850.75 and the Reserve for Property Insurance was \$1,157,480.17. The estimated filed and unpaid claims as of fiscal year end were estimated at \$499,591.33 and \$157,618.72, respectively. Any funds required for claims in excess of the amounts available at June 30, 2017 will be paid and charged to fiscal year 2018 or future budgets. The fiscal year 2018 budget includes appropriations of \$950,000.00 and \$600,000.00 for the Worker's Compensation and Property Insurance Funds, respectively.

Under the self-insurance plans, the Township provides for worker's compensation claims up to \$50,000.00 per accident. Property claims hold a \$2,500.00 per accident deductible while General Liability claims have no deductible. Public Officials/Employment Liability claims hold a \$20,000.00 deductible along with a coinsurance of 20% for the first \$250,000.00 per claim.

Commercial insurance is maintained for employee medical claims.

Settled claims have not exceeded the amounts in the self-insurance reserves and/or the amount of commercial coverage and have not resulted in an added assessment from the joint insurance fund in the past three fiscal years.

Note 16: HOUSING AND REHABILITATION LOANS RECEIVABLE

The Township has an ongoing program to loan low and moderate income homeowners' funds from the Federal Community Development Block Grant Program and the Affordable Housing Trust Fund.

The amount of loans receivable due the Federal Community Development Block Grant program as of June 30, 2017 is \$1,445,091.99 and the amount of loans receivable due the Affordable Housing Trust Fund is \$113,729.00. Proceeds from the repayment of the loans are restricted to be used for Community Development Block Grant and Affordable Housing Trust Fund Housing Improvement Programs (housing rehabilitation activities).

Note 17: OPEN SPACE, DRINKING WATER RESOURCES, HISTORICAL SITES, RECREATION AREAS AND FARMLAND PRESERVATION TRUST

On November 7, 2000, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Cherry Hill authorized the establishment of the Township of Cherry Hill Open Space, Drinking Water Resources, Historical Sites Recreation Areas and Farmland Preservation Trust Fund effective July 1, 2001, for the purpose of raising revenue for the acquisition, conservation, and maintenance of open spaces, drinking water sources, historic sites, recreation areas, farmland preservation, and the payment of debt service incurred by the Township for these purposes. As approved by of the referendum, the Township levies a tax not to exceed one cent per one hundred dollars of assessed valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other property taxes. Increases in the tax rate or to extend the authorization to other purposes as allowed by law must be authorized by an additional referendum. All revenue received, including any investment income, and expenditures are accounted for in a Trust Fund dedicated by rider pursuant to N.J.S.A. 40A:4-39. A budget indicating the anticipated revenues and expenditures of the Trust Fund for each fiscal year is adopted as part of the Township operating and capital budget.

Note 18: CONTINGENCIES

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

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

Note 19: CONCENTRATIONS

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

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2017

The Honorable Mayor and
Members of the Township Council of the
Township of Cherry Hill, in the
County of Camden, New Jersey

Dear Mayor and Council Members:

We have acted as bond counsel to the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township") in connection with the issuance by the Township of \$31,406,627 Bond Anticipation Notes, Series 2017, consisting of a \$26,349,850 General Capital Bond Anticipation Note and a \$5,056,777 Sewer Capital Bond Anticipation Note, each dated the date hereof (together, the "Notes"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction, and have undertaken such research and analyses as we have deemed necessary.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award dated the date hereof, each in all respects duly approved and published as required by law. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from ad valorem taxes that may be levied upon all the taxable real property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, pursuant to Section 103(a) of the Code, interest on the Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. It is also our opinion that interest on the Notes held by a corporate taxpayer is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,