

NOTICE OF SALE

**\$8,215,052 TAXABLE BOND ANTICIPATION NOTES, SERIES 2017B
CONSISTING OF \$6,380,000 GENERAL CAPITAL NOTES
AND \$1,835,052 GOLF UTILITY NOTES
TOWNSHIP OF EVESHAM, IN THE COUNTY OF BURLINGTON, NEW JERSEY**

Sealed written proposals, telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) for the purchase of \$8,215,052 principal amount of Taxable Bond Anticipation Notes, Series 2017A, consisting of \$6,380,000 General Capital Notes and \$1,835,052 Golf Utility Notes (the "Notes") of the Township of Evesham, in the County of Burlington, New Jersey (the "Township") will be received on **Tuesday, May 2, 2017 until 11:30 a.m.** (the "Bid Date") by the undersigned Chief Financial Officer at the offices of the Township, 984 Tuckerton Road, Marlton, New Jersey 08053. Bids may be submitted in one of three ways: (a) telecopied bids must be submitted in writing sent to (856) 983-5011; (b) emailed bids must be submitted in writing and sent to the Chief Financial Officer at shanahant@evesham-nj.gov and (c) bids may be submitted electronically via PARITY® in the manner described below under the heading "Procedures Regarding Electronic Bidding".

Bids must be received by 11:30 a.m. Bids submitted by PARITY®, via telecopy or by e-mail are the sole responsibility of the bidder and must be received by 11:30 a.m. The Township accepts no responsibility for the failure of any telecopied or e-mailed bids to be received on time for whatever reason. No telephone bids will be accepted. No bids will be received after 11:30 a.m. A determination as to the award will be made no later than 1:00 p.m. on that date.

The Notes will be issued by the Township to (i) currently refund, together with \$25,600 from the Township's 2017 budget, a \$1,426,052 portion of the Township's \$1,451,652 principal amount Bond Anticipation Notes, 2017A (Taxable), dated and issued by the Township on May 17, 2016 and maturing on May 16, 2017, (ii) raise an additional \$409,000 to fund capital projects of the Township (the "Golf Project"), (iii) currently refund a \$6,380,000 Bond Anticipation Note of the Township maturing on May 16, 2017 and (iv) pay for certain of the costs of issuance of the Notes..

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 360-day year consisting of twelve 30-day months. Bids may be submitted by completing the proposal form attached hereto and made a part hereof and by submitting it in writing or by telecopy in accordance with this Notice of Sale. 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.

The Notes are TAXABLE and will NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

SPECIFICATION OF BOND ANTICIPATION NOTES

Principal Amount:	\$8,215,052
Dated:	May 15, 2017
Maturity Date:	May 14, 2018

Interest Rate Per Annum:	Specified by Successful Bidder
Tax Matter:	Taxable
Bank Qualified:	No
Legal Opinion:	Capehart & Scatchard, P.A., Trenton, New Jersey
Paying Agent:	The Township will act as paying agent
Closing:	
a. date	May 15, 2017
b. location	Township of Evesham, 984 Tuckerton Road Marlton, New Jersey, or at such other place as agreed to by the Chief Financial Officer
Denominations:	Specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer either (i) one DTC Book- entry-only Registered Note, or (ii) Bearer Notes
Payment:	Immediately available funds

The Purchaser may designate the Notes as "Direct Purchase, Not Reoffered" on the attached bid sheet. If the Purchaser makes such designation, the Purchaser shall certify at closing that (i) it has not reoffered the Notes to the public and does not expect to do so and (ii) it has purchased the Notes for its own account (or the account of a related party) and not with a view to resell or distribute.

The Notes will be noncallable general obligations of the Township. The full faith and credit of the Township will be pledged for the punctual payment, in accordance with their terms, of the principal of and the interest on the Notes.

At delivery of the Notes, the Township will furnish to the Purchaser 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 Capehart & Scatchard, P.A., Bond Counsel to the Township substantially in the form set forth as **Exhibit A**.

Procedures Regarding Electronic Bidding.

Bids may be submitted electronically via PARITY® in accordance with this Notice of Sale, until 11:30 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 (using the contact information set forth in

the final paragraph of this Notice of Sale) 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 by 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 for 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 all bids for the Notes, whether by hand delivery, facsimile delivery or 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 nor PARITY® shall have any duty or obligation to provide or assure access to any bidder, and neither the Township 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 Notes.

It shall be the responsibility of the purchaser to have CUSIP identification numbers, if required, issued for the Notes. The request for the assignment of CUSIP identification numbers and the CUSIP Service Bureau charge shall be the responsibility of and shall be paid for by the Purchaser. CUSIP numbers must be communicated to Bond Counsel within 24 hours of the award of the Notes in order to have the CUSIP numbers printed on the Notes. Only one (1) CUSIP number is required for all Notes being sold pursuant to this Notice of Sale.

A Preliminary Official Statement has been prepared by the Township for this issue and is available at www.govdebt.com. On the Bid Date, via the same methods of delivery, the Township will also receive bids at 11:00 a.m. for \$13,365,000 General Obligation Bonds, Series 2017 (the "2017 Bonds"). Bids for the 2017 Bonds must be submitted separately in accordance with a separate Notice of Sale related thereto.

Information may be obtained by contacting the undersigned Chief Financial Officer at the above address, telephone number (856) 985-4338, email address shanahant@evesham-nj.gov or the Township's financial advisor, Josh Nykita, telephone number (856) 234-2266, email address jnykita@acaciafin.com.

Thomas Shanahan, Chief Financial Officer
Dated: April 26, 2017

PROPOSAL FOR NOTES
\$8,215,052 TAXABLE BOND ANTICIPATION NOTES, SERIES 2017B
CONSISTING OF \$6,380,000 GENERAL CAPITAL NOTES
AND \$1,835,052 GOLF UTILITY NOTES
TOWNSHIP OF EVESHAM, IN THE COUNTY OF BURLINGTON, NEW JERSEY

May 2, 2017

Mr. Thomas Shanahan
 Chief Financial Officer
 Township of Evesham
 984 Tuckerton Road
 Marlton, New Jersey 08053

Dear Mr. Shanahan:

Subject to the provisions of the Notice of Sale for the purchase of \$8,215,052 principal amount of Taxable Bond Anticipation Notes, Series 2017A, consisting of \$6,380,000 General Capital Notes and \$1,835,052 Golf Utility Notes (the "Notes") of the Township of Evesham, in the County of Burlington, New Jersey, which is attached hereto and considered a part hereof, we offer to purchase the Notes on the following terms:

<u>Amount of Notes</u>	<u>Price (not less than par)</u>	<u>Rate of Interest</u>
\$8,215,052	\$ _____	_____ %

Authorized Bidder: _____

Signature: _____

Telephone Number: _____ Email: _____ .

PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Notes \$ _____

Less: Premium, if any \$ _____

Net Interest Payable \$ _____

Net Interest Rate _____ %

Purchased and Reoffered for Sale ____yes ____no

Direct Purchase, Not Reoffered ____yes ____no

THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

Exhibit A

Form of Bond Counsel Opinion



May __, 2017

Mayor and Township Committee
Township of Evesham, in the
County of Burlington, New Jersey

Re: Township of Evesham,
in the County of Burlington, New Jersey
\$8,215,052 Bond Anticipation Notes, Series 2017A consisting of \$6,380,000
General Capital Notes and \$1,835,052 Golf Utility Notes (Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Evesham, in the County of Burlington, New Jersey (the "Township") of its \$8,215,052 principal amount of Bond Anticipation Notes, Series 2017A (Taxable), consisting of \$6,380,000 General Capital Notes and \$1,835,052 Golf Utility Notes (the "Notes"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated May 15, 2017, mature on May 14, 2018, bear interest at a rate of ___% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and by Bond Ordinance Nos. 08-04-2013, 19-06-2013, 10-4-2015, 8-4-2016, 24-12-2016 and 16-08-2016 (the "Ordinances"). The Notes will be issued by the Township to (i) currently refund, together with \$25,600 from the Township's 2017 budget, a \$1,426,052 portion of the Township's \$1,451,652 principal amount Bond Anticipation Notes, 2016B (Taxable), dated and issued by the Township on May 17, 2016 and maturing on May 16, 2017, (ii) raise an additional \$409,000 to fund capital projects of the Township (the "Golf Project"), (iii) currently refund a \$6,380,000 Bond Anticipation Note of the Township maturing on May 16, 2017 and (iv) pay for certain of the costs of issuance of the Notes.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Internal Revenue Code of 1986, as amended (the "Code"), such documents, including the Ordinances, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents

submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. Interest on the Notes is **not** excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code.

4. Interest on the Notes and gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

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. 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 the Bonds and the Notes 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.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 25, 2017

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

\$13,365,000
TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON,
NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2017
Consisting of:
\$12,965,000 General Improvement Bonds
\$400,000 Golf Utility Bonds
(Callable)

\$8,215,052
TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON,
NEW JERSEY
TAXABLE BOND ANTICIPATION NOTES, SERIES 2017
Consisting of:
\$6,380,000 General Capital Notes
\$1,835,052 Golf Utility Notes
(Non-Callable)

Dated: Date of Delivery

Bonds Due: February 1, as shown on inside front cover
Notes Due: May 14, 2018

The Township of Evesham, County of Burlington, New Jersey ("Township") is issuing: (i) \$13,365,000 aggregate principal amount of its General Obligation Bonds, Series 2017, consisting of \$12,965,000 General Improvement Bonds; and \$400,000 Golf Utility Bonds (collectively, "Bonds"); (ii) \$8,215,052 principal amount of its Taxable Bond Anticipation Notes, Series 2017, consisting of \$6,380,000 General Capital Notes; and \$1,835,052 Golf Utility Notes (collectively, "Notes"). The Bonds and the Notes shall each be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds in the offices of the Township, Marlton, New Jersey, as paying agent for the Bonds ("Paying Agent"). The principal of the Notes shall be paid on the respective maturity dates thereof upon presentation and surrender of the Notes in the offices of the Chief Financial Officer or the Township's hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on February 1 and August 1 ("Interest Payment Dates"), commencing February 1 2018 in each year until maturity or earlier redemption thereof. Interest on the Notes will be payable upon the maturity dates thereof. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein. The Notes are not subject to redemption prior to the stated maturity dates thereof.

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 11-4-2014, 6-3-2015, 10-4-2015, 11-4-2015, 7-3-2016, 6-4-2017 and 7-4-2017 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Council ("Township Council") and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 124-2017 adopted by the Township Council on April 4, 2017; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May 2, 2017.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) Bond Ordinances 8-4-2013, 19-6-2013, 10-4-2015, 8-3-2016/24-12-2016 and 16-8-2016 (collectively, the "Note Ordinances") the Township on the date hereof.

The Bonds are being issued by the Township to provide funds which will be used to: (i) currently refund and redeem a portion of the Township's \$8,071,418 principal amount of Bond Anticipation Notes, Series 2016A, consisting of \$7,875,000 General Improvement Notes and \$196,418 Golf Utility Notes, each dated May 17, 2016 and maturing on May 16, 2017, (ii) fund additional capital projects for the Township in the amount of \$5,090,000 in general improvements and \$204,750 in golf improvements and (iii) pay the costs of issuance with respect to the Bonds. See "PURPOSE OF THE ISSUE" herein.

The Notes are being issued by the Township to provide funds which will be used to: (i) temporarily finance the costs of various capital improvements and equipment, authorized by the Ordinances by the repayment at maturity of certain notes heretofore issued by the Township; (ii) temporarily finance the costs of various capital improvements and equipment in and for the Township for which obligations have been authorized but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes. See "PURPOSE OF THE ISSUE" herein.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and the Notes. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount. The Notes are general obligations of the Township and are issued in anticipation of the issuance of bonds and, if not paid from the proceeds of such bonds or other funds, are payable ultimately from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

The Bonds and the Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by John C. Gillespie, Esquire, Solicitor. Acacia Financial Group, Inc., Marlton, New Jersey, has acted as Financial Advisor to the Township in connection with the issuance of the Bonds and the Notes. It is anticipated that the Bonds and the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about May 15, 2017.

MATURITY SCHEDULES

\$13,365,000
GENERAL OBLIGATION BONDS, SERIES 2017
Consisting of:
\$12,965,000 General Improvement Bonds
\$400,000 Golf Utility Bonds

<u>Year</u>	<u>GI Bonds Principal Amount</u>	<u>Golf Utility Principal Amount</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIPS</u>
2018	\$595,000	\$30,000	\$625,000	%	%	
2019	685,000	35,000	720,000			
2020	700,000	35,000	735,000			
2021	715,000	35,000	750,000			
2022	730,000	35,000	765,000			
2023	745,000	35,000	780,000			
2024	765,000	35,000	800,000			
2025	785,000	40,000	825,000			
2026	810,000	40,000	850,000			
2027	835,000	40,000	875,000			
2028	860,000	40,000	900,000			
2029	885,000		885,000			
2030	915,000		915,000			
2031	945,000		945,000			
2032	980,000		980,000			
2033	1,015,000		1,015,000			

\$8,215,052
TAXABLE BOND ANTICIPATION NOTES, SERIES 2017
Consisting of:
\$6,380,000 General Capital Notes
\$1,835,052 Golf Utility Notes

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity Date</u>
\$8,215,052	%	%	May 14, 2018

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

**Mayor and Township Council
Randy S. Brown, Mayor
Steven Zeuli, Deputy Mayor
Kenneth D'Andrea
Robert F. DiEnna
Deborah K. Hackman
Steven Zeuli**

**Municipal Clerk
Mary Lou Bergh**

**Township Manager
Thomas J. Czerniecki**

**Director of Finance
Thomas S. Shanahan**

**Tax Collector
Kathy Merkh**

**Solicitor
John C. Gillespie, Esquire
Marlton, New Jersey**

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

**Bond Counsel
Capehart & Scatchard, P.A.
Trenton, New Jersey**

**Financial Advisor
Acacia Financial Group, Inc.
Marlton, New Jersey**

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

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

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORIZATION FOR THE BONDS AND THE NOTES	1
PURPOSE OF THE ISSUE	2
DESCRIPTION OF THE BONDS AND THE NOTES	3
General – The Bonds	3
General – The Notes	4
Redemption Provisions	5
Book-Entry-Only System	5
Discontinuance of Book-Entry-Only System	8
SECURITY FOR THE BONDS AND THE NOTES	8
GENERAL INFORMATION REGARDING THE TOWNSHIP	9
General	9
Financial	9
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT	9
Local Bond Law	9
Local Fiscal Affairs Law	10
Local Budget Law	11
Miscellaneous Revenues	12
Real Estate Taxes	13
Deferral of Current Expenses	13
Budget Transfers	14
Capital Budget	14
Utility Budget	15
Related Constitutional and Statutory Provisions	16
Rights and Remedies of Owners of Notes	16
Limitation of Remedies Under Federal Bankruptcy Code	16
TAXATION	18
Procedure for Assessment and Collection of Taxes	18
Tax Appeals	18
TAX MATTERS	17
Federal	17
New Jersey	19
Changes in Federal and State Tax Law	19
LITIGATION	20
RATINGS	20
PREPARATION OF OFFICIAL STATEMENT	20
UNDERWRITING	21
LEGALITY FOR INVESTMENT	21
NO DEFAULT	22
FINANCIAL ADVISOR	22
CONTINUING DISCLOSURE	22
LEGAL MATTERS	23
ADDITIONAL INFORMATION	26
APPENDIX A: CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF EVESHAM	
APPENDIX B: AUDITED FINANCIAL STATEMENTS AND SELECTED FINANCIAL INFORMATION OF THE TOWNSHIP OF EVESHAM	
APPENDIX C: FORMS OF BOND COUNSEL OPINIONS	
APPENDIX D: FORMS OF DISCLOSURE DISSEMINATION AGENT AGREEMENT	

OFFICIAL STATEMENT

\$13,365,000

**TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2017**

Consisting of:

**\$12,965,000 General Improvement Bonds
\$400,000 Golf Utility Bonds
(Callable)**

\$8,215,052

**TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON, NEW JERSEY
TAXABLE BOND ANTICIPATION NOTES, SERIES 2017**

Consisting of:

**\$6,380,000 General Capital Notes
\$1,835,052 Golf Utility Notes
(Non-Callable)**

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Evesham, County of Burlington, New Jersey ("Township") of its: (i) \$13,365,000 aggregate principal amount of its General Obligation Bonds, Series 2017, consisting of \$12,965,000 General Improvement Bonds; and \$400,000 Golf Utility Bonds (collectively, "Bonds"); and (ii) \$8,215,052 principal amount of its Taxable Bond Anticipation Notes, Series 2017, consisting of \$6,380,000 General Capital Notes; and \$1,835,052 Golf Utility Notes (collectively, "Notes").

AUTHORIZATION FOR THE BONDS AND THE NOTES

Bonds

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 11-4-2014, 6-3-2015, 10-4-2015, 11-4-2015, 7-3-2016, 6-4-2017 and 7-4-2017 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Council ("Township Council") and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 124-2017 adopted by the Township Council on April 4, 2017; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

Notes

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) Bond Ordinances 8-4-2013, 19-6-2013, 10-4-2015, 8-3-2016/24-12-2016 and 16-8-2016 (collectively, the "TBAN Ordinances"), each duly and finally adopted by the Township

Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

PURPOSE OF THE ISSUE

Bonds

The Bonds are being issued by the Township to provide funds which will be used to: (i) currently refund and redeem a portion of the Township's \$8,071,418 principal amount of Bond Anticipation Notes, Series 2016A, consisting of \$7,875,000 General Improvement Notes and \$196,418 Golf Utility Notes, each dated May 17, 2016 and maturing on May 16, 2017, (ii) fund additional capital projects for the Township in the amount of \$5,090,000 in general improvements and \$204,750 in golf improvements and (iii) pay the costs of issuance with respect to the Bonds.

Notes

The Notes are being issued to: (i) temporarily finance the costs of various capital improvements and equipment authorized by the TBAN Ordinances by the repayment at maturity of certain bond anticipation notes heretofore issued by the Township, all as more particularly described in Table II below; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the TBAN.

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

**TABLE I
General Improvement Bonds**

Bond Ordinance	Purpose/Improvement	Original Amount Authorized	Prior Notes Outstanding	Bonds to be Issued
11-4-2014	Golf Course Improvements/Equipment	\$95,238	\$95,238	\$94,070
6-3-2015	Turf Soccer Field	1,425,000	1,425,000	1,425,000
10-4-2015	Golf Course Improvements/Equipment	176,180	101,180	101,180
11-4-2015	Various Capital Improvements	3,000,000	3,000,000	3,000,000
7-3-2016	Various Capital Improvements	3,450,000	3,450,000	3,450,000
6-4-2017	Various Capital Improvements	5,090,000	0	5,090,000
7-4-2017	Golf Course Improvements/Equipment	204,750	0	204,750
TOTAL		\$13,441,168	\$8,071,418	\$13,365,000

TABLE II
Notes

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Notes Outstanding	Taxable Notes to be Issued
8-4-2013	Golf Course Facilities Improvements	\$440,280	\$425,097	\$409,897
19-6-2013	Golf Course Facilities Improvements	300,000	289,655	279,255
10-4-2015	Golf Course Facilities Improvements	176,180	75,000	75,000
8-3-2016/24-12-2016	Golf Course Facilities Improvements	1,070,900	661,900	1,070,900
16-8-2016	Public Works Complex	6,380,000	6,380,000	6,380,000
TOTAL		\$8,367,360	\$7,831,652	\$8,215,052

DESCRIPTION OF THE BONDS AND THE NOTES

General – The Bonds

The Bonds will be issued in the aggregate principal amount of \$13,365,000.

The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on February 1 and August 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing February 1, 2018, in each year until maturity or earlier redemption thereof. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS AND THE NOTES--Book-Entry-Only System" below. The Bonds will mature on February 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, Marlton, New Jersey, as paying agent for the Bonds ("Paying Agent"). Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date (each a "Record Date").

General – The Notes

The Notes will be issued in the principal amount of \$8,215,052 in fully registered book-entry-only form in denominations of \$5,000 or integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Note. The Note shall bear interest at the rate of _____ and _____ one-hundredths per centum (_____%) per annum, calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will each be dated May 15, 2017 and will each mature on May 14, 2018. Payment of the principal of and interest on each series of the Notes will be paid at maturity.

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

Redemption Provisions

Bonds

The Bonds maturing on and after February 1, 2027 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after February 1 2026, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

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

become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Notes

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

Book-Entry-Only System¹

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

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

¹ Source: The Depository Trust Company

the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all the Bonds and the 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 the Bonds and the 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 Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 any, shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or 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, the Paying Agent, or its hereafter designated paying agent for the Notes, if any, as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the Township, the Paying Agent, or its hereafter designated paying agent for the Notes, if any. Under such circumstances, in the event that a successor depository is not obtained, Bond and 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 neither the Township nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuance of Book-Entry-Only System

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

SECURITY FOR THE BONDS AND THE NOTES

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and the Notes. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount. The Notes are general obligations of the Township and are issued in anticipation of the issuance of bonds and, if not paid from the proceeds of such bonds or other funds, are payable ultimately from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains (a) compiled financial statements of the Township for the year ended December 31, 2016 and (b) audited financial statements of the Township for the years ending December 31, 2015, 2014, 2013, 2012 and 2011. The compiled and audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete 2016 Annual Financial Statement (unaudited) and Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

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

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

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

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

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

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is

licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2015 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units. The Annual Compiled Financial Statement for the year ended December 31, 2016 is on file with the Township Clerk and is available for review during business hours.

Local Budget Law

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

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

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

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

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

Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

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

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such

appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

Budget Transfers

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

Capital Budget

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

Utility Budget

The Township's golf course 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 such separate budget, which is required to be balanced and to fully provide for debt service. The regulations regarding anticipation of revenue and deferral of charges apply equally to the budget of the utility. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Related Constitutional and Statutory Provisions

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

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to

the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

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

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

Rights and Remedies of Owners of Bonds and Notes

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was for the year 2009.

Upon the filing of certified adopted budgets by the Township, the Evesham Township School District, the Lenape Regional High School District, the Evesham Township Fire District and the County of Burlington ("County"), the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of

property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special district.

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% 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 New Jersey Board of Taxation ("Tax Board") on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

TAX MATTERS

Federal

Bonds

In the opinion of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

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

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

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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has *not* designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code.

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

Notes

In the opinion of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Township, interest on the Notes will be includable for Federal income tax purposes under current law.

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

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

LITIGATION

Upon delivery of the Bond and Notes, the Township shall furnish an opinion of its Solicitor, John C. Gillespie, Esquire, of the law firm Parker McCay P.A., Mt. Laurel, New Jersey, dated the date of delivery of the Bonds and Notes, to the effect that there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and 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 Bonds and Notes. In addition, such opinion shall state that there is no litigation of any nature now pending or threatened 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 or other revenues for the payment of the Bonds and Notes, which has not been otherwise disclosed in this Official Statement.

RATINGS

Moody's Investors Service has assigned a rating of "Aa2" to the Bonds and a rating of "MIG1" to the Notes.

An explanation of the significance of such credit ratings may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The Township furnished Moody's with certain information and materials concerning the Bonds and Notes and the Township. Generally, Moody's bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. The ratings are not a recommendation to buy, sell or hold the Bonds and Notes and there can be no assurance that any such ratings will be maintained for any given period of time or that such ratings may not be raised, lowered or withdrawn entirely, if in Moody's judgment, circumstances so warrant. Any downward change in or withdrawal of any such ratings may have an adverse effect on the marketability or market price of the Bonds and Notes.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Bonds Underwriter"), pursuant to a Certificate of Determination and Award, dated May __, 2017. The Note has been purchased from the Township at a public sale by _____, as underwriter ("Note Underwriter"; and together with the Bonds Underwriter, the "Underwriters"), pursuant to a Certificate of Determination and Award, dated May __, 2017. The Underwriters have purchased the Bonds and the Notes in accordance with the Notices of Sale prepared in connection with the Bonds and the Notes. The Bonds and the Notes are being offered for sale at the yields [or prices] set forth on the inside front cover page of this Official Statement. The Underwriters are each obligated to purchase all of the Bonds and the Notes if any of the Bonds or the Notes are purchased.

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

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within

their control in any bonds and notes of the Township, including the Bonds and the Notes, and such bonds and notes are authorized security for any and all public deposits.

NO DEFAULT

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

FINANCIAL ADVISOR

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

CONTINUING DISCLOSURE

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

The Township has bonds outstanding issued in 2005, 2010, 2011, 2013, 2014 and 2016 (the "Township Bonds"). Additionally, it participated in pooled loan transactions organized by the Burlington County Bridge Commission and issued in 2002, 2004, 2005, 2009, 2011, 2013 and 2017. Of these pooled loan transactions, the Township was an Obligated Borrower for the bonds issued in 2005, 2009, 2011 and 2017 (the "Pooled Loans").

For the Township Bonds, the Township filed annual audits on EMMA for the years 2011 through 2015 in a timely manner. Additionally, it filed annual financial and operating data on the EMMA for the years 2011 through 2015. The Township also filed a material event notice for its 2005 and 2010 Township Bonds relating to a downgrade by Moody's Investors Service ("Moody's"). The Township has failed to file notices of rating changes on a series of bonds when such changes were the result of a rating down grade of a bond insurer which insured such bonds but on September 24, 2014, the Township made a consolidated filing on EMMA covering these rating changes for its bonds which were insured by a company that experienced a rating change.

For the Pooled Loans, the Township obligated itself to file annual financial and operating reports containing certain information set forth in the official statements relating to the respective bond issues. These reports were to contain all the information contained in the annual financial and operating data filed by the Township for the Township Bonds, plus one additional table setting forth the equalized value of the taxable property within the Township. In connection with the Pooled Loans, the Township failed to timely file its audits and operating data for the years 2011 through 2015. A failure to file notice was filed for such missing audits and data on February 17, 2017.

In 2014, in response to the Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperative Initiative, the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs (the "Division") issued a Public Finance Notice to all Chief Financial Officers of local governments within New Jersey under its jurisdiction (the "Notice"). Among other things, this notice established certain baseline information that should be filed to EMMA on an annual basis by a local issuer including each issuer's annual financial statements, adopted budget, completed audit, operating data and material events. To encourage compliance with this directive, the Division is considering a requirement that the auditor of a local issuer certify that these filings are being made on an annual basis as part of the local issuer's annual audit. The Township is in the process of amending its internal procedures to comply with the recommendations of the Division's Notice.

LEGAL MATTERS

The legality of the Bonds and the Notes will be subject to the approving legal opinions of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Bonds and the Notes and provide, *inter alia*, that the Bonds and the Notes are valid and binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and the Notes and interest thereon. The enforceability of rights or remedies with respect to the Bonds and the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by John C. Gillespie, Esquire, Solicitor.

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Thomas Shanahan, Director of Finance, Township of Evesham at 856-985-4338.

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 Bonds and 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.

TOWNSHIP OF EVESHAM, NEW JERSEY

By: _____
THOMAS SHANAHAN, Director of Finance

Dated: May __, 2017

APPENDIX A

CERTAIN INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION REGARDING THE TOWNSHIP OF EVESHAM

History

The Township of Evesham, New Jersey ("Township"), was incorporated in 1692 as one of the 13 original municipalities in Burlington County. The community had a gristmill, glass factory, a blacksmith and three saw mills. Residents used Burlington or Moorestown post offices until 1845 when the largest town of the Township, Marlton, opened its own post office. In the next 30 years the modern-day Township was established after Medford, Shamong, Lumberton, Mount Laurel and Hainesport were carved from parts of Evesham.

The Township is located in the extreme western section of Burlington County, bordering Camden County. The surrounding Townships are Mount Laurel, Medford, Cherry Hill, Voorhees and Berlin. The overall area of the Township is 29.65 square miles located approximately fifteen (15) miles east of Philadelphia, Pennsylvania and forty (40) miles south of Trenton, New Jersey.

Residents of the Township are within ten (10) miles from the PATCO Hi-Speed Line, which runs from Lindenwold to Philadelphia, Pennsylvania stopping at major shopping centers and business areas along the way. This is one of the area's most popular means of transportation for residents working in Philadelphia. Also available to residents is the New Jersey Transit Bus Route stopping at major business areas and linking at some points with the Hi-Speed Line.

Two major State Highways, Route 73 and Route 70, link in the Township. Route 73 runs north to the Tacony-Palmyra Bridge leading into Pennsylvania and south to Winslow Township, New Jersey, where it connects with the Atlantic City Expressway leading to the southern shoreline of the State. Route 70 runs west to Camden County, leading into Pennsylvania and east to the central shoreline of Seaside Heights and Long Beach Island.

Local Government

The Township's form of government is a Council-Manager form of government known as the Council-Manager Plan B under the Faulkner Act. Five members, elected at large on a partisan basis for four-year overlapping terms, make up the Township Council. Of these five members, the Mayor is elected at large for a four-year term. The Mayor and Council appoint the Township Manager to administer their directives and conduct municipal affairs. This form of government provides a stable government with professional administration for all municipal services.

Library

The Friends of the Evesham Township Public Library ("Library") moved into the Marlton School on August 24, 1863 and the Library was incorporated on January 30, 1963. The Library grew out of the Marlton School into the new Municipal Building on May 17, 1967 and later relocated to the newly built Municipal Complex in 1998. The present facility is approximately 24,000 square feet and contains 13,000 linear feet of shelving for over 85,000 books and periodicals. The Library is staffed by four full-time librarians, one part-time librarian and fifteen other staff members. The Library became one of five branches of the Burlington County Library system in April 1975. Today, it maintains its position and makes programs such as mail service, summer reading programs and adult book discussion groups available to residents. Other programs include story-time for kids, arts and crafts and special group programs. The Library offers a meeting room for outside groups, videos, CD's, films, art prints and magazines for its residents' pleasure. Fifteen computers with Internet access are available for public use.

Police and Fire Protection

The Township has a full-time Police Department ("Department") consisting of a Chief, two Captains, four Lieutenants, one Corporal, ten Sergeants, four Detectives, fifty Patrolmen and four K-9 dogs. The Department is linked to the Burlington County Central Communications System on a 24-hour basis. Both fire protection and first aid services are provided by one fire district consisting of paid and full-time personnel and volunteers located at three fire stations logistically located throughout the Township. The fire district has its own budget, taxing power and owns and maintains its own building and equipment. The administrative offices of the district are located in the Municipal Complex.

Public Works

The Department of Public Works ("Works Department") is headed by a superintendent and is responsible for weekly trash collection, leaf collection, snow removal, storm-water drainage maintenance and maintenance of street signs. The Township participates in a county-wide recycling program and provides its residents with containers for recyclables. The Township implemented an Automated Trash Collection program in 1998. The Works Department is also responsible for approximately 175 miles of street and road maintenance including street sweeping. Independent contractors are also used for major projects under the Township's Capital Improvement Program.

Parks and Recreation

The Township offers a variety of recreational programs and facilities to its residents. The programs are offered each season of the year and are organized by the Recreation Department located in the Gibson house. Programs for the 17-month-old to the senior citizen range from arts and crafts, dance, creative movement, aerobics, painting and drawing, tennis and over 35 other programs. The Township offers full-day and half-day summer camps to children 4 years old and up. Over 500 children participate in our summer camps every year. The Township maintains 2,478 acres of open space, ball fields, parks and picnic areas.

The Township provides a major recreation and sports complex known as "Memorial Field" encompassing 118 acres of land and consists of various multi-purpose fields and a playground area. The complex also includes an indoor sports facility, the Blue Barn, consisting of basketball and volleyball courts, as well as aerobic and exercise rooms. For outdoor baseball/softball activity, there's the Diamonds at Evesham. The Diamonds are a four-field complex with a concession area to serve many different organizations during the spring, summer and fall months.

The Township organizes activities such as Evesham Day, Summer Evening Concerts, Fourth of July Fireworks, a Fall Festival and a Winter-fest. The Township also owns and maintains an 18-hole golf course known as the Indian Spring Golf Club, which is open to the public and also has a separate driving range facility.

Evesham Township Municipal Utilities Authority

The Evesham Township Municipal Utilities Authority ("Authority") has been in continuous existence since it was established on March 3, 1959 by ordinances of the Township Council pursuant to the Municipal Utilities Authorities Law, P.L. 1957, c.183. The Authority, consisting of five members appointed by resolution of the Township Council for five year terms, owns and operates certain water supply distribution facilities and sanitary sewerage collection, treatment and disposal facilities currently providing water supply and sanitary sewerage service in all except the extreme southern part of the Township.

The following is a summary of the financial operations of the Authority for the last four years:

	Fiscal Year Ended June 30,			
	<u>2016</u>	<u>Restated 2015(1)</u>	<u>Restated 2014</u>	<u>2013</u>
Operating Revenues	\$19,051,401	\$17,131,400	\$17,361,712	\$17,323,287
Operating Expenses	<u>15,044,033</u>	<u>13,600,389</u>	<u>13,659,764</u>	<u>13,031,101</u>
Operating Income	4,007,368	3,531,011	3,701,948	4,292,186
Net Non-Operating Revenue (Expenses)	<u>(765,995)</u>	<u>(1,238,190)</u>	<u>(2,141,400)</u>	<u>(23,986)</u>
Change in Net Position	3,241,373	2,292,821	1,560,548	4,268,200
Fiscal Year Beginning Net Position	<u>35,856,769</u>	<u>33,563,948</u>	<u>39,185,491</u>	<u>34,917,291</u>
Fiscal Year End Net Position	<u>\$39,098,142</u>	<u>\$35,856,769</u>	<u>\$40,746,039</u>	<u>\$39,185,491</u>

Township Population(2)

<u>Year</u>	<u>Township Population</u>	<u>County Population</u>	<u>State Population</u>
2010 Federal Census	45,538	448,734	8,791,894
2000 Federal Census	42,275	423,394	8,414,350
1990 Federal Census	35,309	395,066	7,730,188
1980 Federal Census	21,659	362,542	7,365,011
1970 Federal Census	13,477	323,132	7,171,112

Selected Census 2014 Data for the Township (2)

Median household income	\$93,732
Median family income	\$109,798
Per capita income	\$42,757

Labor Force(3)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Township					
Labor Force	26,067	25,800	26,409	26,604	26,475
Employment	24,925	24,600	24,707	24,664	24,575
Unemployment	1,133	1,300	1,702	1,940	1,892
Unemployment Rate	4.4%	4.9%	6.4%	7.3%	7.2%
County					
Labor Force	233,167	232,000	239,184	241,433	239,283
Employment	220,458	217,400	220,181	219,803	218,092
Unemployment	12,717	14,700	19,003	21,630	21,183
Unemployment Rate	5.5%	6.3%	7.9%	9.0%	8.9%
State					
Labor Force	4,543,817	4,518,700	4,537,800	4,561,800	4,513,783
Employment	4,277,317	4,218,400	4,166,000	4,136,900	4,095,358
Unemployment	266,525	300,300	371,800	424,800	418,425
Unemployment Rate	5.9%	6.6%	8.2%	9.3%	9.3%

(1) The Authority Implemented GASB 68

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

(3) Source: New Jersey Department of Labor.

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building. The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law in 1975. The Municipal Land Use Law gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Business and Industry

In 2016 and 2017, the Township Planning Board and Zoning Board of Adjustment has approved many projects including a 17,000 square foot expansion to an existing treatment facility, two fast food casual restaurants, an Urgent Care and rehabilitation center, and a Chickie & Pete's sports bar within the Marlton Shopping Center Plaza. In addition, the boards have approved 66 townhomes.

For mixed-use projects, Evesham Township will be welcoming a three-story 24 unit multi-family residential apartment building with a 4,022 square foot commercial retail space, seven building multi-family residential apartment development with 264 units with one mixed-use building consisting of a 6,000 square foot commercial retail space and 8,400 square feet of residential services space with a clubhouse.

Redevelopment in Evesham Township is underway. The Shoppes at Renaissance Square and Residences at Renaissance Square will consist of 338 apartments in five buildings, demolishing approximately 94,000 square feet of existing retail area and constructing two new 5,500 square foot restaurants, 12,000 square foot retail building and a 2,600 square foot coffee shop with drive thru. The old Marlton Circle area is another redevelopment site currently being transformed into a 4,600 square foot three-story medical office building.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2017 (2)	505	\$3,116,616
2016	2,700	64,725,738
2015	2,525	52,086,787
2014	2,516	48,949,161
2013	2,394	44,914,751
2012	2,234	37,901,280

(1) Source: Building Department

(2) As of March 28, 2017

TEN LARGEST EMPLOYERS (3)

The following table outlines the ten (10) largest employers in the Township.

<u>Company</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Virtua Hospital	Hospital	965
Freedom Mortgage	Retailer	425
Burns Honda/GMC	Automobile Dealerships	300
Care One	Senior Care Facility	275
Whole Foods	Supermarket	265
Shop Rite	Supermarket	235
Davis Enterprises	Retailer	200
Wal Mart	Retailer	200
Rastelli's	Supermarket	191
Kohl's	Retailer	130

GENERAL INFORMATION ON THE SCHOOL DISTRICT (2)

General

The Board of Education of the Township of Evesham, in the County of Burlington, New Jersey ("School District"), is a Type II school district whose boundaries are coterminous with the Township of Evesham, New Jersey ("Township"). The School District functions independently through the school board ("Board"), which consists of nine members elected by the voters for alternate three year terms. The School District operates a K-8 district with students housed in six elementary schools, one combined elementary/middle school and one middle school. Most students in grades 9-12 attend Cherokee High School. Cherokee High School is part of the Lenape Regional High School District which also includes students from the Townships of Mount Laurel, Medford Lakes, Medford, Shamong, Southampton, Tabernacle and Woodland. Special education students are mainstreamed into the public school system.

The Board is organized annually on any day of the first week of January following the annual school election. Each member of the Board is a resident of the School District.

(1) Source: Township officials

(2) School District officials

School District Enrollments (1)

<u>Grade</u>	<u>2016</u>	<u>2015</u>	<u>October 15, 2014</u>	<u>2013</u>	<u>2012</u>
PK	36	26	37	28	20
K	311	338	349	386	347
1	402	388	452	412	440
2	371	430	407	437	448
3	424	404	421	440	440
4	419	410	423	433	421
5	406	430	426	423	445
6	408	406	425	455	429
7	406	407	448	444	444
8	410	422	429	437	465
Sp. Education	736	691	645	607	716
Preschool Handicapped	<u>76</u>	<u>88</u>	<u>89</u>	<u>92</u>	<u>72</u>
In District Total	4,405	4,440	4,551	4,594	4,687
Net Send/Received	<u>(3)</u>	<u>12</u>	<u>13</u>	<u>5</u>	<u>19</u>
Total (2)	<u>4,402</u>	<u>4,452</u>	<u>4,564</u>	<u>4,599</u>	<u>4,706</u>

Present School Facilities, Enrollment and Capacity (1)

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/16</u>	<u>Functional Capacity</u>
H.L. Beeler School	1962	1989/2001	K-5	458	649
F.V. Evans School	1956	1990/1969/1966/2001	K-5	360	614
R.B. Jaggard School	1972	2001	K-5	406	667
J.H. Van Zant School	1968	1989/2001	K-5	369	613
Marlton Middle	1976	1996	6-8	789	1,014
Richard L. Rice	1990	2001	K-5	526	632
Frances DeMasi	1993	---	K-8	1,093	1,097
Marlton Elementary	2000	---	K-5	<u>404</u>	<u>577</u>
				<u>4,405</u>	<u>5,863</u>

Local School District Employees

	<u>2016</u>	<u>2015</u>	<u>June 30, 2014</u>	<u>2013</u>	<u>2012</u>
Totals	<u>896</u>	<u>903</u>	<u>885</u>	<u>869</u>	<u>885</u>

Employee Collective Bargaining Units

The following is a schedule of employee collective bargaining units, number of employees represented and dates of expiration of current contracts:

<u>Collective Bargaining Unit</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Evesham Education Association	716	June 30, 2018
Evesham Administrator's Association	18	June 30, 2019

(1) School District officials

(2) Includes out of district students

Budget History

<u>Budget Year</u>	<u>Outcome of Election</u>	<u>Amount as Originally Proposed</u>
2016-2017	(1)	\$56,588,242
2015-2016	(1)	54,750,302
2014-2015	(1)	53,325,444
2013-2014	(1)	52,665,468
2012-2013	(1)	51,224,130
2011-2012	Passed	50,852,659

Lenape Regional High School District (2)(3)

	<u>2016</u>	<u>2015</u>	<u>October 15, 2014</u>	<u>2013</u>	<u>2012</u>
Totals		<u>2,192</u>	<u>2,223</u>	<u>2,259</u>	<u>2,293</u>

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County

Burlington County College (“College”), founded in October 1965, is fully accredited by the Middle State Association of Colleges and Secondary Schools, is a comprehensive, publicly supported, co-educational two-year institution developed under a program of the State Department of Higher Education. It is sponsored by the Board of Chosen Freeholders who appoint nine of the twelve Board of Trustees. In June 2015, the College partnered with Rowan University and formally changed its name to Rowan College at Burlington County.

The partnership will enable students to pursue degrees on the Mount Laurel campus and provide automatic, conditional acceptance to Rowan University.

The College’s campuses located in Pemberton Township, Mount Laurel Township, Willingboro and Mount Holly offer a full range of student services, university transfer degrees, associate degree programs, professional-technical career development programs and certifications in technology and management, as well as personal, cultural and recreational enrichment programs.

The Burlington ACT Center on the Pemberton Township Campus opened in March 2003. This facility offers individuals and corporate clients a broad array of job training courses, and has an approved testing center for an inventory of professional licenses and certifications.

The enrollment as of Spring 2015 consisted of 8,720 students. In addition, the College serves thousands of other County residents each semester through youth programs, the Learning Institute for Elders, customized training for local businesses, theatrical productions, guest speakers, and art exhibitions.

(1) Current Expense Levy was within the 2.0% State CAP, therefore an election was not required.

(2) Township students only

(3) Source: Regional District officials

Burlington County Institute of Technology

The Burlington County Institute of Technology ("B.C.I.T.") was created by the County Board of Chosen Freeholders in 1962 after a favorable referendum. B.C.I.T. is a vocational high school serving grades 9 through 12 which also provides all required academic training. In addition to the high school program, the B.C.I.T. operates an extensive adult post-secondary program. The thrust at B.C.I.T. is to make students academically and vocationally ready for employment and continuing education into the 21st century.

The current enrollment for the two campuses in Westampton and Medford is 2,196 students.

Burlington County Special Services School District

The Burlington County Special Services School District ("B.C.S.S.S.D.") was created by the Burlington County Board of Chosen Freeholders in June, 1972. The B.C.S.S.S.D. is comprised of state of the art facilities located in the Townships of Westampton, Lumberton and Medford and programs are provided for (1) the orthopedically handicapped, the multiple handicapped, and the autistic; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen through sixteen with educational needs, which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen to twenty-one.

The current enrollment for the B.C.S.S.S.D. is 722 students.

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2017 Assessed Valuation</u>
Davis & Associates LLC	Retail-Promenade @ Sagemore	\$ 54,096,000
Hunters Chase Assoc LLC % Scully Co.	Apartment Complex	33,000,000
East Coast Woodview at Marlton, LLC	Apartment Complex	32,000,000
Davis & Associates LLC	Apartment Complex	23,850,000
Davis Enterprises	Apartment Complex	22,360,000
Marlton VF LLC	Shopping Center-Community	21,574,400
Marlton Plaza Associates	Shopping Center/Office-Community	21,000,000
WRV Apartments Association LLC	Apartment Complex	20,500,000
Paramount Square at Marlton LLC	Shopping Center-Community	19,000,000
Marlton Plaza Associates	Shopping Center/Office-Community	18,183,100

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>		<u>Total Levy</u>	<u>Outstanding Dec. 31</u>		<u>Collected in Year of Levy</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2016	(2) \$	146,237,088	\$ 977,613	0.67%	\$ 145,009,373	99.16%
2015		143,511,093	1,347,119	0.94%	141,773,844	98.79%
2014		138,961,196	1,372,703	0.99%	137,362,862	98.85%
2013		137,305,134	1,218,047	0.89%	135,341,866	98.57%
2012		137,580,809	1,667,262	1.21%	135,376,387	98.40%

DELINQUENT TAXES (1)

<u>Year</u>		<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
		<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2016	(2) \$	1,362,347	\$ 19,481	\$ 1,297,537	93.90%	\$ 33,325	\$ 459	\$ 50,508
2015		1,392,249	76,676	1,268,835	86.38%	2,917	181,945	15,228
2014		1,487,755	305,146	1,387,305	77.38%	1,301	384,749	19,546
2013		1,718,604	19,426	1,313,684	75.58%	518	154,120	269,708
2012		1,404,978	17,864	1,343,759	94.44%	-	27,741	51,341

TAX TITLE LIENS (1)

<u>Year</u>		<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
			<u>Sales and Transfers</u>	<u>Collected</u>		
2016	(2) \$	428,656	\$ 93,700	\$ 31,745	\$ 87	\$ 490,524
2015		336,478	92,564	302	83	428,656
2014		307,418	29,426	-	366	336,478
2013		278,754	33,353	-	4,689	307,418
2012		317,557	29,100	65	67,837	278,755

FORECLOSED PROPERTY (1) (3)

<u>Year</u>		<u>Balance Jan. 1</u>	<u>Added By Transfer</u>	<u>Adjustment to Assessed</u>		<u>Balance Dec. 31</u>
				<u>Valuation</u>	<u>Adjustments</u>	
2016	(2) \$	690,707	\$ -	\$ -	\$ -	\$ 690,707
2015		690,707	-	-	-	690,707
2014		690,707	-	-	-	690,707
2013		690,707	-	-	-	690,707
2012		418,407	64,773	207,527	-	690,707

(1) Source: Annual Report of Audit, unless otherwise noted

(2) Information from Annual Compiled Financial Statement

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

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

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>						
		<u>Total Rate</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Fire District</u>
2016	\$ 5,217,827,831	\$ 2.789	\$ 0.407	\$ 1.133	\$ 0.665	\$ 0.415	\$ 0.030	\$ 0.139
2015	5,221,728,920	2.740	0.408	1.101	0.648	0.415	0.030	0.138
2014	5,196,459,478	2.662	0.368	1.088	0.619	0.420	0.030	0.137
2013	5,220,759,152	2.625	0.372	1.061	0.610	0.420	0.030	0.132
2012	5,245,153,517	2.615	0.391	1.044	0.621	0.397	0.030	0.132

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2017	\$ 5,196,629,131	99.50%	\$ 5,222,742,845	\$ 114,690
2016	5,201,485,531	100.07%	5,197,847,038	114,143
2015	5,205,466,175	101.72%	5,117,446,102	112,377
2014	5,180,329,975	103.05%	5,027,006,283	110,391
2013	5,204,485,075	100.99%	5,153,465,764	113,168

REAL PROPERTY CLASSIFICATION (5)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2017	\$ 5,196,629,131	\$ 35,357,100	\$ 4,140,704,350	\$ 744,570,575	\$ 29,084,700	\$ 235,443,000	\$ 11,469,406
2016	5,201,485,531	35,815,100	4,126,549,850	761,795,375	29,484,700	236,295,500	11,545,006
2015	5,205,470,175	40,471,100	4,121,069,700	766,594,175	29,484,700	236,295,500	11,555,000
2014	5,180,329,975	39,242,200	4,096,710,800	764,680,675	30,056,500	236,529,100	13,110,700
2013	5,204,485,075	35,226,500	4,107,877,400	773,810,775	31,554,000	242,876,600	13,139,800

(1) Source: Township Tax Collector

(2) Per \$100 of assessed valuation

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

(4) Based on 2010 Census of 45,538

(5) Source: Township Tax Assessor

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

The following table summarizes the direct debt of the Township as of December 31, 2016, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Golf Course Utility and Debt of the Local and Regional School Districts. Deductions from gross debt to arrive at net debt include local and regional school district debt. The resulting net debt of \$57,900,544 represents 1.119% of the average of equalized valuations for the Township for the last three years, of \$5,174,061,160, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Bonds Issued by Another Public Body Guaranteed by the Municipality	Gross Debt	Deductions		Net Debt
	Bonds/Loans	Notes				School District	Self Liquidating	
General	\$ 34,761,658	\$ 14,255,000	\$ 168,880	\$ 720,880	\$ 49,906,418			\$ 49,906,418
Local School District	14,720,000				14,720,000	\$ 14,720,000		
Regional School District	17,685,091				17,685,091	17,685,091		
Golf Course Utility	5,280,000	1,648,070	1,066,056		7,994,126			7,994,126
	<u>\$ 72,446,749</u>	<u>\$ 15,903,070</u>	<u>\$ 1,234,936</u>	<u>\$ 720,880</u>	<u>\$ 90,305,635</u>	<u>\$ 32,405,091</u>	<u>\$ -</u>	<u>\$ 57,900,544</u>

(1) As of December 31, 2016
Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016	\$	5,174,061,160
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2014, 2015 and 2016		1.12%
2016 Net Valuation Taxable	\$	5,217,827,831
2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	5,214,189,338
Gross Debt (2)		
As a Percentage of 2016 Net Valuation Taxable		1.73%
As a Percentage of 2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.73%
Net Debt (2)		
As a Percentage of 2016 Net Valuation Taxable		1.11%
As a Percentage of 2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.11%
Gross Debt per Capita(3)	\$	1,983
Net Debt per Capita(3)	\$	1,271

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2014-16) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$5,174,061,160)	\$	181,092,141
Net Debt		<u>(57,900,544)</u>
Remaining Borrowing Capacity	\$	<u>123,191,597</u>

LOCAL SCHOOL BORROWING CAPACITY(1)

3% of Average (2014-16) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$5,174,061,160)	\$	155,221,835
Net Debt		<u>(14,720,000)</u>
Remaining Borrowing Capacity	\$	<u>140,501,835</u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2014-16) Equalized Valuation of Real Property Including Improvements (\$17,723,664,728)	\$	531,709,942
Net Debt(4)		<u>(60,580,000)</u>
Remaining Borrowing Capacity	\$	<u>471,129,942</u>

(1) As of December 31, 2016

(2) Excluding Overlapping Debt

(3) Based on Census 2010 of 45,538

(4) Debt Portion Allocated to the Township is \$17,685,091

**TOWNSHIP OF EVESHAM
OVERLAPPING DEBT
AS OF DECEMBER 31, 2016**

	DEBT ISSUED			Net Debt Outstanding Allocated to the Issuer	Debt Auth. but not Issued
	Debt Outstanding	Deductions	Net Debt Outstanding		
County of Burlington:					
General	\$ 267,578,645	\$ 31,063,639 (1)	\$ 236,515,006	\$ 26,513,332 (2)	\$ 78,427,078
Bonds Issued by Other Public Bodies					
Guaranteed by the County	329,726,000	329,726,000 (3)			
Solid Waste Utility	68,116,000	68,116,000			6,193,733
Evesham Township MUA	23,237,205		23,237,205	23,237,205	
Evesham Township Fire District	3,700,000		3,700,000	3,700,000	
	<u>\$ 692,357,850</u>	<u>\$ 428,905,639</u>	<u>\$ 263,452,211</u>	<u>\$ 53,450,537</u>	<u>\$ 84,620,810</u>

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

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2016 Net Valuations on which County taxes are apportioned, which is 11.21% .

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

**TOWNSHIP OF EVESHAM
SCHEDULE OF DEBT SERVICE
(BONDED DEBT ONLY)**

Existing Debt(1)							
Year	General			Golf Course Utility			Grand
	Principal	Interest	Total	Principal	Interest	Total	Total
2017	\$ 3,436,263	\$ 1,375,235	\$ 4,811,499	\$ 984,000	\$ 148,711	\$ 1,132,711	\$ 5,944,210
2018	2,747,908	1,106,518	3,854,425	615,000	119,142	734,142	4,588,567
2019	2,837,357	1,008,293	3,845,650	630,000	102,312	732,312	4,577,962
2020	2,953,574	899,054	3,852,628	576,000	84,897	660,897	4,513,525
2021	3,052,554	780,359	3,832,913	572,000	68,795	640,795	4,473,708
2022	3,006,000	653,289	3,659,289	588,000	52,779	640,779	4,300,068
2023	2,970,000	522,794	3,492,794	604,000	36,318	640,318	4,133,112
2024	2,129,000	393,239	2,522,239	625,000	19,270	644,270	3,166,509
2025	2,209,000	313,819	2,522,819	65,000	2,356	67,356	2,590,175
2026	1,510,000	239,344	1,749,344	21,000	919	21,919	1,771,263
2027	1,530,000	196,238	1,726,238				1,726,238
2028	1,555,000	158,175	1,713,175				1,713,175
2029	1,580,000	117,900	1,697,900				1,697,900
2030	1,610,000	73,200	1,683,200				1,683,200
2031	1,635,000	24,525	1,659,525				1,659,525
	\$ 34,761,657	\$ 7,861,979	\$ 42,623,636	\$ 5,280,000	\$ 635,498	\$ 5,915,498	\$ 48,539,134

Proposed 2017 GO Bonds							
Year	General			Golf Course Utility			Grand
	Principal	Interest	Total	Principal	Interest	Total	Total
2018	\$ 595,000			\$ 30,000			
2019	685,000			35,000			
2020	700,000			35,000			
2021	715,000			35,000			
2022	730,000			35,000			
2023	745,000			35,000			
2024	765,000			35,000			
2025	785,000			40,000			
2026	810,000			40,000			
2027	835,000			40,000			
2028	860,000			40,000			
2029	885,000						
2030	915,000						
2031	945,000						
2032	980,000						
2033	1,015,000						
	\$ 12,965,000	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -

(1) As of December 31, 2016

TOWNSHIP OF EVESHAM
2016 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 3,775,000
Miscellaneous Revenues:	
Local Revenues	2,395,024
State Aid without Offsetting Appropriations	3,164,693
Dedicated Uniform Construction Code Fees	860,000
Shared Service Agreements	325,594
Public and Private Programs Offset with Appropriations	247,114
Other Special Items of Revenue	1,839,367
Receipts from Delinquent Taxes	1,375,000
Amount to be Raised by Taxation for Municipal Purposes	<u>21,692,106</u>

Total Appropriated Revenues	<u><u>\$ 35,673,898</u></u>
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Appropriations:	
Within CAPS:	
Operations	\$ 25,501,531
Deferred Charges and Statutory Expenditures	3,438,000
Excluded from CAPS:	
Other Operations	103,442
Public and Private Programs	267,337
Capital Improvements	175,000
Debt Service	3,982,000
Deferred Charges	286,000
Reserve for Uncollected Taxes	<u>1,920,588</u>

Total Appropriations	<u><u>\$ 35,673,898</u></u>
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GOLF COURSE UTILITY

Anticipated Revenues:	
Fund Balance	\$ 250,000
Golf Course Fees	734,000
Golf Cart Fees	150,000
Golf Course Concessions	240,000
Interest on Investments	4,000
Driving Range Sales	300,000
Pro-Shop Sales	98,000
Dedicated Open Space/Recreation Trust Fund	628,056
Deficit (General Budget)	<u>200,000</u>

Total Anticipated Revenues	<u><u>\$ 2,604,056</u></u>
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Appropriations:	
Operating	\$ 1,312,250
Capital Improvements	30,000
Debt Service	1,188,210
Deferred Charges and Statutory Expenditures	<u>73,596</u>

Total Appropriations	<u><u>\$ 2,604,056</u></u>
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(1) Source: 2016 Adopted Budget

**TOWNSHIP OF EVESHAM
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2016 - 2021 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Grants-in Aid and Other Funds</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self Liquidating</u>
General Capital:					
Vehicular Equipment	\$ 4,300,000	\$ 204,770		\$ 4,095,230	
Equipment	1,240,000	59,050		1,180,950	
Data Processing	1,010,000	48,100		961,900	
Facility Improvements	2,580,000	122,860		2,457,140	
Road Improvement Program	10,370,000	493,810		9,876,190	
Dam Improvements	1,450,000	69,050		1,380,950	
Strom Water Drainage	450,000	21,430		428,570	
Total--General Capital	21,400,000	1,019,070	-	20,380,930	
Golf Course Utility:					
Golf Course Improvements	945,000	45,000			\$ 900,000
Groundskeeping Equipment	250,000	11,910			238,090
Total--Golf Course Utility	1,195,000	56,910	-	-	1,138,090
Totals--All Projects	\$22,595,000	\$ 1,075,980	\$ -	\$20,380,930	\$1,138,090

(1) Source: 2016 Adopted Budget

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS
OF THE TOWNSHIP OF EVESHAM
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

FOR THE YEAR ENDED 2016
COMPILED FINANCIAL STATEMENTS



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Council
Township of Evesham
Marlton, New Jersey 08053

Management is responsible for the accompanying financial statements of the Township of Evesham, in the County of Burlington, State of New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2016 and the related statement of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

/s/ Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 31, 2017

TOWNSHIP OF EVESHAM
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016

ASSETS:

Regular Fund:

Cash -- Treasurer	\$ 12,372,324.95
Cash -- Change Funds	1,925.00

12,374,249.95

Receivables and Other Assets

with Full Reserves:

Delinquent Property Taxes Receivable	1,028,121.23
Tax Title Liens Receivable	490,524.40
Property Acquired for Taxes (at Assessed Valuation)	690,707.00
Revenue Accounts Receivable	81,198.75
Due From Animal Control Fund	2,443.00
Due from Golf Course Utility Operating Fund	130,676.05
Due from Evesham Township Municipal Utilities Authority	36,855.42
Due from Evesham Fire District	15,578.60
Prepaid Local School Taxes	3.00

2,476,107.45

14,850,357.40

Federal and State Grant Fund:

Cash -- Treasurer	243,040.78
Federal and State Grants Receivable	1,132,149.91

1,375,190.69

\$ 16,225,548.09

**LIABILITIES, RESERVES
AND FUND BALANCE:**

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 3,332,199.84
Reserve for Encumbrances	699,636.22
Accounts Payable	59,776.80
Prepaid Taxes	961,987.43
Tax Overpayments	4,361.09
Due to County for Added and Omitted Taxes	102,853.65
Regional School Taxes Payable	1,435,754.11
Due to State of New Jersey:	
Senior Citizen and Veterans Deductions	70,474.90
Training Fees -- Surcharge	17,652.00
Marriage Licenses	1,100.00
Reserve for Reassessment	33,875.62
Reserve for Participation in Public Library with State Aid	1,880.03
Reserve for Wage Execution - Administration Fee	639.00
Reserve for Election Workers	80.00
Reserve for Police Dog Expenses	1,000.00
Reserve for Tax Appeals	60,000.00

6,783,270.69

Reserve for Receivables and Other Assets	2,476,107.45
Fund Balance	5,590,979.26

14,850,357.40

Federal and State Grant Fund:

Reserve for Encumbrances	196,952.29
Appropriated Grant Reserves	1,178,238.40

1,375,190.69

\$ 16,225,548.09

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM

CURRENT FUND

Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2016

REVENUE AND OTHER INCOME REALIZED:

Fund Balance Utilized	\$	3,775,000.00
Miscellaneous Revenue Anticipated		9,566,483.54
Receipts from Delinquent Taxes		1,329,282.71
Receipts from Current Taxes		145,009,372.85
Non-Budget Revenue		439,469.68
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		2,410,250.05
Cancellation of:		
Tax Overpayments		11,422.63
Liquidation of Reserves for:		
Interfunds and Accounts Receivable		4,897.50
		<hr/>
Total Income		162,546,178.96

EXPENDITURES:

Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages		14,176,752.00
Other Expenses		11,279,779.21
Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		3,352,323.95
Operations -- Excluded from "CAPS":		
Salaries and Wages		86,457.66
Other Expenses		685,898.96
Capital Improvements -- Excluded from "CAPS"		175,000.00
Municipal Debt Service -- Excluded from "CAPS"		3,971,421.35
Deferred Charges -- Excluded from "CAPS"		286,000.00
County Taxes		21,152,112.97
Due County for Added and Omitted Taxes		102,853.65
Local School District Tax		59,139,428.00
Regional High School Tax		34,706,843.00
Special (Fire) District Taxes		7,234,524.00
Municipal Open Space Tax		1,577,842.94
Other Charges to Income:		
Prior Year Veterans' and Senior Citizens' Deductions Disallowed		12,085.61
Creation of Reserves for:		
Interfunds and Accounts Receivable		130,678.05
Refund of Prior Year Revenue:		
Tax Appeals		607,829.21
Other		14,246.01
		<hr/>
Total Expenditures		158,692,076.57

Excess in Revenue 3,854,102.39

FUND BALANCE:

Balance January 1		<hr/>
		5,511,876.87
		9,365,979.26
Decreased by:		
Utilized as Revenue		<hr/>
		3,775,000.00
Balance December 31	\$	<hr/> <hr/>
		5,590,979.26

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
TRUST FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016

ASSETS:

Animal Control Fund:		
Cash	\$	56,584.40
Other Funds:		
Cash - Collector		72,930.58
Cash - Treasurer		7,591,782.57
		7,664,713.15
Municipal Open Space Trust Fund:		
Cash		1,735,775.12
	\$	9,457,072.67

LIABILITIES, RESERVES
AND FUND BALANCE:

Animal Control Fund:		
Due Current Fund	\$	2,443.00
Reserve for Animal Control Fund Expenditures		54,141.40
		56,584.40
Other Funds:		
Collector:		
Reserve For:		
Tax Title Lien Redemption		72,930.58
Treasurer:		
Due Violent Crime Compensation Board		86,264.18
Reserve for:		
Accumulated Compensated Absences		62,523.73
Affordable Housing		1,553,114.78
Ardsley Drive Topcoat		7,500.00
Bike Path		18,294.00
Cash Bonds		245,655.72
Celebration of Public Events		32,520.06
Community Development Block Grant Funds		4,853.98
Deposit for Performance Bonds		68,388.70
Deposit for Zoning		142,273.27
Deposits for Plot Plan		497,046.74
Dog Park Donations		1,000.00
Electronic Receipt Fees		4,215.39
Employee Health Benefit Self Insurance Program		1,127,969.72
Evesham Saves Lives Program		1,974.70
Federal Trade Equitable Sharing		1,575.16

TOWNSHIP OF EVESHAM
TRUST FUND

Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016

LIABILITIES, RESERVES
AND FUND BALANCE (CONT'D):

Other Funds (Cont'd):

 Treasurer (Cont'd):

 Reserve for:

Field Signage	\$	19,539.00
Flexible Savings		29,147.86
Golf Course Deposits		17,719.02
Golf Course Performance Bond		40,000.00
Growth Share AH3		57,100.12
Historic Preservation		3,850.07
Miscellaneous Deposits		154,177.10
Municipal Alliance		6,425.31
Municipal Court DWI Funds		412.66
New Jersey Unemployment Compensation Insurance		333,243.19
Payroll Deductions Payable		401,346.88
POAA		460.00
Police Outside Employment Trust (POET)		58,322.67
Public Defender		17,288.95
RCA Contributions		118,999.98
Recreation Commission		191,674.35
Recreation Commission - Program Books		500.00
Recreation Donations		4,856.87
Recreation Facility/Basement		9,637.38
Recreation Improvements		149,592.51
Recreation MEND		20,920.23
Recycling Costs		75,620.11
Road Opening Escrows		22,175.47
Sanitary Landfill Closure Escrow		64,261.15
Security Deposits		62,607.00
Sharp's Run		309,411.17
Sidewalk Improvements		5,744.00
Special Law Enforcement		17,053.09
Tax Sales Premiums		1,360,100.00
Teen Advisory Committee		2,267.08
Traffic Improvements - Rt. 70 and Troth Road, Evesboro		16,560.75
Traffic Signal - Brick and Evans Road/Sagemore		21,600.00
Traffic Signal MEND		31,654.00
Traffic Signal Route 70 and Elmwood Road		12,500.00
Tree Planting		88,957.00
Veterans Memorial Trust Fund		3,422.47
9-11 Memorial Donations		7,465.00

7,664,713.15

Municipal Open Space Trust Fund:

 Reserve for Future Use

1,735,775.12

1,735,775.12

\$ 9,457,072.67

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016

ASSETS:

Cash	\$ 8,000,271.97
Deferred Charges to Future Taxation:	
Funded	34,761,657.53
Unfunded	14,423,880.44
Due from Golf Course Utility Capital Fund	153,542.81
Total Assets	\$ 57,339,352.75

LIABILITIES, RESERVES AND FUND BALANCE:

Improvement Authorizations:	
Funded	\$ 1,669,022.25
Unfunded	2,975,130.30
Reserve for Encumbrances	1,228,746.84
Capital Improvement Fund	31,931.50
Reserve for Preliminary Expenses	7,081.75
Reserve for Road Improvements	32,561.00
General Serial Bonds	23,635,000.00
Loans Payable	11,126,657.53
Bond Anticipation Notes Payable	14,255,000.00
Reserve for Escheated Funds	2,028.00
Reserve for Payment of Debt Service	483,513.18
Fund Balance	1,892,680.40
Total Liabilities, Reserves and Fund Balance	\$ 57,339,352.75

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2016

ASSETS:

Operating Fund:	
Cash	\$ 342,243.84
Cash -- Change Fund	2,400.00
Inventory	27,794.68
Utility Reimbursements Accounts Receivable	<u>4,395.70</u>
Total Operating Fund	<u>376,834.22</u>
Capital Fund:	
Cash	791,732.45
Fixed Capital	12,564,428.10
Fixed Capital Authorized and Uncompleted	<u>2,437,300.00</u>
Total Capital Fund	<u>15,793,460.55</u>
Total Assets	<u><u>\$ 16,170,294.77</u></u>

LIABILITIES, RESERVES AND FUND BALANCE:

Operating Fund:	
Appropriation Reserve	\$ 62,294.31
Reserve for Encumbrances	34,872.08
Due Current Fund	130,676.05
Accrued Interest on Bonds, Loans and Notes	62,095.81
New Jersey Sales Tax Payable	1,469.00
Reserve for Inventory	<u>27,794.68</u>
Total Liabilities and Reserves	<u>319,201.93</u>
Fund Balance	<u>57,632.29</u>
Total Operating Fund	<u>376,834.22</u>
Capital Fund:	
Due To General Capital Fund	153,542.81
Improvement Authorizations:	
Unfunded	980,043.25
Reserve for Encumbrance	85,844.05
Reserve for Amortization	6,747,936.51
Reserve for Deferred Amortization	259,666.00
Serial Bonds	5,105,000.00
Loans Payable	175,000.00
Bond Anticipation Notes Payable	1,648,070.00
Capital Improvement Fund	12,914.19
Fund Balance	<u>625,443.74</u>
Total Capital Fund	<u>15,793,460.55</u>
Total Liabilities and Reserves	<u><u>\$ 16,170,294.77</u></u>

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY OPERATING FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2016

Revenue and Other Income Realized:	
Surplus Anticipated	\$ 250,000.00
Golf Course Fees	751,796.40
Golf Cart Fees	166,260.01
Golf Course Concession	245,000.00
Interest on Investments	4,285.43
Driving Range Sales	272,615.50
Pro Shop Sales	98,722.07
Dedicated Open Space/Recreation Trust Fund	628,056.00
Deficit (General Budget) - Due from Current Fund	69,323.95
Non-Budgeted Revenues	101,912.16
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>7,076.88</u>
	<u>2,595,048.40</u>
Expenditures:	
Operating	1,312,250.00
Capital Improvements	30,000.00
Debt Service	1,179,202.40
Deferred Charges and Statutory Expenditures	<u>73,596.00</u>
Total Expenditures	<u>2,595,048.40</u>
Excess in Revenues	-
Fund Balance:	
Balance January 1	<u>307,632.29</u>
	307,632.29
Decreased by:	
Utilized as Revenue	<u>250,000.00</u>
Balance December 31	<u><u>\$ 57,632.29</u></u>

See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
PUBLIC ASSISTANCE FUND
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2016

ASSETS:

Cash	<u>\$ 21,556.79</u>
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LIABILITIES AND RESERVES:

Reserve for Public Assistance: P.A.T.F. I	<u>\$ 21,556.79</u>
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See Independent Accountant's Compilation Report.

TOWNSHIP OF EVESHAM
Selected Information – Substantially All Disclosure Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Evesham (hereafter referred to as the "Township") was incorporated in 1692. The Township, located in Burlington County, New Jersey, is located approximately fifteen miles from the City of Philadelphia. The Township borders Mount Laurel, Cherry Hill, Voorhees, Berlin, Waterford, and Medford. According to the 2010 census, the population is 45,538.

The Township has a Council - Manager form of government known as the Council - Manager Plan B under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are four Township Council Members who are elected to four-year terms. The Mayor is elected at large to a four-year term. Administrative responsibilities fall under the Township Manager, who is appointed by Council. Executive responsibilities rest with the Township Council.

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:

Township of Evesham Municipal Utilities Authority
100 Sharp Road
Marlton, New Jersey 08053

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

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.

Golf Course Utility Operating and Capital Funds - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course operations.

Public Assistance Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. On September 30, 2003, the governing body resolved to transfer all public assistance activities to the County of Burlington.

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

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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.

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

Cash, Cash Equivalents and Investments (Cont'd) -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 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 December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The 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 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.

Golf Course 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.

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

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the 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 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 Burlington, the Township of Evesham School District, Lenape Regional High School District, and the Township of Evesham 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 Evesham School District and Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

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

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Evesham 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 December 31

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 year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

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

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

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

Due from Evesham Fire District - The Township processes payroll for the Evesham Township Fire District. The Township disburses funds and then bills the Fire District for their applicable net payroll and related payroll agency amounts. In addition, Fire District employees are covered under the Township's Police and Firemen's Retirement System employer number with the State of New Jersey Pension System. The Township is billed by the State and pays the entire amount and then bills the Fire District for their share of the pension invoice.

FOR THE YEARS ENDED 2015, 2014, 2013, 2012 AND 2011

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Evesham
Marlton, New Jersey 08053

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011 or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

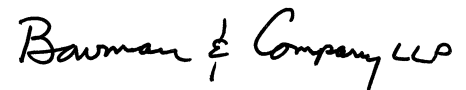
In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 16, 2016

TOWNSHIP OF EVESHAM
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Cash	\$ 11,253,163	\$ 11,077,417	\$ 8,052,606	\$ 7,348,876	\$ 6,933,919
Federal and State Grants Receivable	1,207,884	975,031	768,853	997,529	852,428
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	1,362,347	1,392,249	1,487,755	1,718,604	1,404,978
Tax Title Liens Receivable	428,656	336,478	307,418	278,755	317,557
Property Acquired for Taxes--Assessed Valuation	690,707	690,707	690,707	690,707	418,407
Revenue Accounts Receivable	81,925	88,675	72,872	90,635	60,033
Interfunds Receivable	4,150	2,480	387	1,597	
Accounts Receivable--Other	55,625	68,657	370,172	370,343	335,240
Prepaid Local School Taxes	1			272,603	
Deferred Charges	286,000			1,000	
	<u>\$ 15,370,458</u>	<u>\$ 14,631,695</u>	<u>\$ 11,750,770</u>	<u>\$ 11,770,647</u>	<u>\$ 10,322,562</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 2,534,121	\$ 2,219,861	\$ 2,144,353	\$ 2,482,745	\$ 1,940,002
Accounts Payable	51,885	52,435	44,383	57,026	37,616
Reserve for Encumbrances	838,623	715,035	715,684	768,964	860,942
Interfunds Payable			250,000	250,000	
County Taxes Payable	60,925	83,449	34,550	75,480	41,381
Local District Taxes Payable		4	3		1
Regional School Taxes Payable	1,003,981	189,799	127	195,264	149,937
Prepaid Revenues	708,860	640,183	643,792	722,290	664,235
Tax Overpayments	308	325	226	386,501	178,363
Other Liabilities and Special Funds	169,923	123,246	106,730	80,284	107,086
Reserve for Receivables and Other Assets	2,623,411	2,576,766	2,929,310	3,421,646	2,536,215
Reserve for Federal and State Grants	1,866,544	1,959,191	1,665,069	1,383,516	1,157,280
Fund Balance	5,511,877	6,071,401	3,216,543	1,946,932	2,649,504
	<u>\$ 15,370,458</u>	<u>\$ 14,631,695</u>	<u>\$ 11,750,770</u>	<u>\$ 11,770,647</u>	<u>\$ 10,322,562</u>

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

TOWNSHIP OF EVESHAM
CURRENT FUND

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

	For the Years Ended December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenue Realized:					
Current Tax Collections	\$ 141,773,844	\$ 137,362,862	\$ 135,341,866	\$ 135,376,387	\$ 136,783,151
Delinquent Tax Collections	1,269,138	1,387,305	1,313,683	1,343,824	1,267,033
Total Taxes	143,042,982	138,750,167	136,655,549	136,720,211	138,050,184
Miscellaneous Revenues Anticipated	8,984,313	8,769,092	8,823,371	9,397,822	8,010,081
Other Income	2,436,280	4,323,539	3,066,287	2,750,629	2,503,534
Fund Balance Utilized	3,575,000	2,610,000	1,400,000	2,350,000	2,655,000
Total Income	158,038,575	154,452,798	149,945,207	151,218,662	151,218,799
Expenditures:					
Operating	25,700,540	25,015,112	23,901,484	24,538,142	23,778,072
Capital Improvements	575,000	160,000	150,000	260,000	220,000
Debt Service	3,981,708	4,036,770	3,967,292	3,961,120	3,982,505
Deferred Charges and Statutory Expenditures	3,273,850	3,096,040	3,414,770	3,066,757	3,273,825
County Taxes	21,246,589	19,144,506	19,452,618	20,502,623	21,110,595
Local District School Purposes	57,535,190	56,538,572	55,379,394	54,780,818	55,211,490
Regional High School Tax	33,843,297	32,214,934	32,016,129	32,586,944	32,496,291
Fire District Taxes	7,174,263	7,114,035	6,886,165	6,894,519	6,907,130
Municipal Open Space Tax	1,571,018	1,565,737	1,568,988	1,579,221	1,602,052
Other Expenditures	407,644	102,234	538,756	1,402,091	32,565
Total Expenditures and Encumbrances	155,309,099	148,987,940	147,275,596	149,572,234	148,614,525
Excess in Revenues	2,729,476	5,464,858	2,669,611	1,646,428	2,604,274
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	286,000			1,000	
Statutory Excess to Fund Balance	3,015,476	5,464,858	2,669,611	1,647,428	2,604,274
Fund Balance Beginning of Year	6,071,401	3,216,543	1,946,932	2,649,504	2,700,230
Decreased by:	9,086,877	8,681,401	4,616,543	4,296,932	5,304,504
Utilized as Revenue	3,575,000	2,610,000	1,400,000	2,350,000	2,655,000
Fund Balance Ending of Year	\$ 5,511,877	\$ 6,071,401	\$ 3,216,543	\$ 1,946,932	\$ 2,649,504

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

TOWNSHIP OF EVESHAM
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Cash	\$ 6,710,986	\$ 6,905,320	\$ 10,213,212	\$ 7,269,029	\$ 7,036,704
Deferred Charges to Future Taxation:					
Funded	28,505,820	32,099,870	23,673,599	27,766,802	31,357,281
Unfunded	15,587,548	11,162,548	20,928,417	18,009,767	7,656,277
Due from State of New Jersey:					
Infrastructure Loan Receivable				16,750	16,750
Transportation Trust Fund		121,636	121,636	121,636	371,635
Interfunds Receivable	153,543	153,543	403,543	653,543	153,543
	<u>\$ 50,957,897</u>	<u>\$ 50,442,917</u>	<u>\$ 55,340,407</u>	<u>\$ 53,837,526</u>	<u>\$ 46,592,190</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Bond Anticipation Notes	\$ 15,084,521	\$ 10,659,521	\$ 20,425,440	\$ 12,656,790	\$ 6,753,300
General Serial Bonds	16,080,000	18,305,000	8,565,000	10,905,000	13,239,000
Loans Payable	12,425,820	13,794,870	15,108,599	16,861,802	18,118,281
Improvement Authorizations:					
Funded	701,645	3,134,637	66,350	316,350	543,435
Unfunded	3,255,084	2,777,627	5,859,695	9,282,584	4,881,860
Reserve for Encumbrances	1,012,226	954,779	4,408,747	2,356,268	1,295,511
Capital Improvement Fund	351,932	1,932	2,411	2,411	40,120
Other Liabilities and Special Funds	41,671	41,671	41,671	41,670	41,671
Fund Balance	2,005,000	772,880	862,494	1,414,651	1,679,012
	<u>\$ 50,957,897</u>	<u>\$ 50,442,917</u>	<u>\$ 55,340,407</u>	<u>\$ 53,837,526</u>	<u>\$ 46,592,190</u>

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

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Operating Fund:					
Cash and Investments	\$ 386,667	\$ 280,614	\$ 391,857	\$ 1,377,189	\$ 1,823,287
Accounts Receivable	17,345	144,060	49,512	62,105	53,304
Inventory	13,865	27,665	43,622	43,622	59,084
Deferred Charge:					
Overexpenditure of Appropriation			8,822		
Total Operating Fund	417,876	452,339	493,813	1,482,917	1,935,675
Capital Fund:					
Cash	413,175	399,082	795,638	235,458	221,336
Fixed Capital	7,613,765	7,613,765	7,613,765	7,613,765	7,613,765
Fixed Capital Authorized and Uncompleted	6,832,026	6,647,026	6,297,026	5,519,726	5,439,726
Total Capital Fund	14,858,966	14,659,873	14,706,429	13,368,949	13,274,827
Total Assets	\$ 15,276,842	\$ 15,112,212	\$ 15,200,242	\$ 14,851,866	\$ 15,210,502
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$ 14,718	\$ 44,394	\$ 7,689	\$ 55,982	\$ 87,945
Reserve for Encumbrances	15,965	45,177	48,433	21,178	5,330
Accrued Interest on Bonds and Notes	63,929	80,263	106,998	106,439	104,245
NJ Sales Tax Payable	1,767	478	174	260	423
Interfunds Payable		25,000			
Prepaid Gift Cards		3,736	48,918	76,337	70,178
Other Liabilities	13,865	27,665	43,622	67,563	77,948
Fund Balance	307,632	225,626	237,979	1,155,158	1,589,606
Total Operating Fund	417,876	452,339	493,813	1,482,917	1,935,675
Capital Fund:					
Serial Bonds	6,060,000	7,000,000	7,335,000	7,980,000	8,456,000
Loans Payable	188,000	201,000	213,000	225,000	238,000
Bond Anticipation Notes	1,011,698	835,518	1,013,720	280,750	204,560
Reserve for Encumbrances	136,235	76,327	363,087		67,953
Improvement Authorizations:					
Funded	561,796	570,796	533,901	504,893	500,318
Unfunded	160,322	201,256	345,006	180,677	104,487
Capital Improvement Fund	37,014	35,834	45,596	42,616	42,426
Interfunds Payable	153,543	153,543	153,543	153,543	153,543
Reserve for Amortization	6,323,369	5,370,369	4,515,149	3,850,839	3,361,839
Reserve for Deferred Amortization	205,566	196,746	176,984	139,964	136,154
Fund Balance	21,423	18,484	11,443	10,667	9,547
Total Capital Fund	14,858,966	14,659,873	14,706,429	13,368,949	13,274,827
Total Liabilities and Reserves	\$ 15,276,842	\$ 15,112,212	\$ 15,200,242	\$ 14,851,866	\$ 15,210,502

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

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY

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

	For the Years Ended December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenue Realized:					
Miscellaneous Revenues not Anticipated	\$ 136,950	\$ 108,648	\$ 74,158	\$ 24,133	\$ 52,662
Golf Course Fees	734,846	804,691	810,764	834,774	881,162
Golf Cart Fees	150,778	117,195	149,787	196,562	218,256
Golf Course Concession	240,000	199,300	173,000	170,000	165,000
Interest on Investments	4,232	3,548	1,371	8,322	19,301
Driving Range Sales	302,417	284,856	242,431	224,995	222,227
Pro Shop Sales	98,760	75,938	55,988	35,937	39,302
Dedicated Open Space / Recreation					
Trust Fund Anticipated	871,080	875,136			
Other Credits to Income	47,394	22,750	33,081	67,454	66,019
Fund Balance	175,000	228,000	987,740	452,800	418,579
Total Income	2,761,456	2,720,062	2,528,320	2,014,978	2,082,508
Expenditures and Encumbrances:					
Operating	1,271,000	1,304,650	1,196,200	1,161,340	1,168,704
Capital Improvements	10,000	10,000	40,000	4,000	3,750
Debt Service	1,149,819	1,130,834	1,191,188	827,786	802,806
Deferred Charges and Statutory Expenditures	73,630	57,266	38,320	3,500	3,500
Other Charges to Income:					
Increase in Change Funds		800			
Refund of Prior Year Revenue		865	873		
Total Expenditures and Encumbrances	2,504,449	2,504,415	2,466,581	1,996,626	1,978,760
Excess in Revenues	257,007	215,647	61,739	18,352	103,748
Adjustments to Income before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year			8,822		
Statutory Excess to Fund Balance	257,007	215,647	70,561	18,352	103,748
Fund Balance Beginning of Year	225,626	237,979	1,155,158	1,589,606	1,904,437
	482,632	453,626	1,225,719	1,607,958	2,008,185
Decreased by:					
Utilized as Revenue	175,000	228,000	987,740	452,800	418,579
Fund Balance End of Year	\$ 307,632	\$ 225,626	\$ 237,979	\$ 1,155,158	\$ 1,589,606

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

TOWNSHIP OF EVESHAM
TRUST FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	2015	2014	2013	2012	2011
ASSETS					
Cash and Investments	\$ 9,537,849	\$ 8,909,097	\$ 10,153,797	\$ 10,149,535	\$ 7,524,752
Accounts Receivable--Other		533	4,526	5,344	5,344
Interfunds Receivable		25,000			
	<u>\$ 9,537,849</u>	<u>\$ 8,934,631</u>	<u>\$ 10,158,323</u>	<u>\$ 10,154,879</u>	<u>\$ 7,530,096</u>
 LIABILITIES, RESERVES AND FUND BALANCE					
Interfund Loans Payable	\$ 2,150	\$ 2,480	\$ 387	\$ 251,597	
Reserve for Liabilities and Special Funds	9,535,699	8,932,150	10,157,936	9,903,282	\$ 7,530,096
	<u>\$ 9,537,849</u>	<u>\$ 8,934,631</u>	<u>\$ 10,158,323</u>	<u>\$ 10,154,879</u>	<u>\$ 7,530,096</u>

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

TOWNSHIP OF EVESHAM
PUBLIC ASSISTANCE FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS					
Cash	\$ 21,557	\$ 21,557	\$ 21,557	\$ 21,557	\$ 21,557
LIABILITIES AND RESERVES					
Reserve for Public Assistance	\$ 21,557	\$ 21,557	\$ 21,557	\$ 21,557	\$ 21,557

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

TOWNSHIP OF EVESHAM
Notes to Financial Statements
For the Year Ended December 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Evesham (hereafter referred to as the "Township") was incorporated in 1692. The Township, located in Burlington County, New Jersey, is located approximately fifteen miles from the City of Philadelphia. The Township borders Mount Laurel, Cherry Hill, Voorhees, Berlin, Waterford, and Medford. According to the 2010 census, the population is 45,538.

The Township has a Council - Manager form of government known as the Council - Manager Plan B under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are four Township Council Members who are elected to four-year terms. The Mayor is elected at large to a four-year term. Administrative responsibilities fall under the Township Manager, who is appointed by Council. Executive responsibilities rest with the Township Council.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and No. 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Township of Evesham Municipal Utilities Authority
100 Sharp Road
Marlton, New Jersey 08053

Annual financial reports of the Township of Evesham Municipal Utilities Authority may be inspected at their offices during regular business hours.

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" 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 of Audit 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.

Golf Course Utility Operating and Capital Funds - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course.

Public Assistance Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes. On September 30, 2003, the governing body resolved to transfer all public assistance activities to the County of Burlington.

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

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Cash, Cash Equivalents and Investments (Cont'd) - 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 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 December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. 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 assets, reflecting the activity for the 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 includes 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.

Golf Course 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 and improvements and contributed capital.

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

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 assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the 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 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 Burlington, the Township of Evesham School District, Lenape Regional High School District, and the Township of Evesham 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 Evesham School District and Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

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

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Evesham Fire District No. 1. 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 December 31. 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 2014 and 43.75% for 2015.

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 year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

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

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

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

Due from Evesham Fire District - The Township processes payroll for the Evesham Township Fire District. The Township disburses funds and then bills the Fire District for their applicable net payroll and related payroll agency amounts. In addition, Fire District employees are covered under the Township's Police and Firemen's Retirement System employer number with the State of New Jersey Pension System. The Township is billed by the State and pays the entire amount and then bills the Fire District for their share of the pension invoice.

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Township adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Township.

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 December 31, 2015, the Township's bank balances of \$28,635,392.60 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 27,340,384.66
Uninsured and Uncollateralized	<u>1,295,007.94</u>
Total	<u>\$ 28,635,392.60</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:

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ 2.740	\$ 2.662	\$ 2.625	\$ 2.615	\$ 2.593
Apportionment of Tax Rate:					
Municipal	\$ 0.415	\$ 0.420	\$ 0.420	\$ 0.397	\$ 0.391
County	0.408	0.368	0.372	0.391	0.396
Local School	1.101	1.088	1.061	1.044	1.036
Regional School	0.648	0.619	0.610	0.621	0.610
Fire District	0.138	0.137	0.132	0.132	0.130
Municipal Open Space	0.030	0.030	0.030	0.030	0.030

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 5,221,728,920.00
2014	5,196,459,478.00
2013	5,220,759,152.00
2012	5,245,153,517.00
2011	5,329,954,057.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 143,511,092.69	\$ 141,773,844.15	98.79%
2014	138,961,195.65	137,362,861.80	98.85%
2013	137,305,133.72	135,341,865.91	98.57%
2012	137,580,808.77	135,376,386.74	98.40%
2011	138,490,554.96	136,783,150.75	98.77%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 428,656.41	\$ 1,362,347.21	\$ 1,791,003.62	1.25%
2014	336,477.85	1,392,248.84	1,728,726.69	1.24%
2013	307,418.09	1,487,754.68	1,795,172.77	1.31%
2012	278,754.50	1,718,603.87	1,997,358.37	1.45%
2011	317,556.55	1,404,978.21	1,722,534.76	1.24%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2015	32
2014	23
2013	23
2012	39
2011	39

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	\$ 690,707.00
2014	690,707.00
2013	690,707.00
2012	690,707.00
2011	418,407.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 5,511,876.87	\$ 3,775,000.00	68.49%
2014	6,071,400.60	3,575,000.00	58.88%
2013	3,216,542.74	2,610,000.00	81.14%
2012	1,946,931.73	1,400,000.00	71.91%
2011	2,649,503.72	2,350,000.00	88.70%

Golf Course Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 307,632.29	\$ 250,000.00	81.27%
2014	225,625.68	175,000.00	77.56%
2013	237,979.14	228,000.00	95.81%
2012	1,155,158.28	987,740.00	85.51%
2011	1,589,605.54	452,800.00	28.49%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 4,149.90	
Trust - Animal Control		\$ 4,149.90
General Capital	153,542.81	
Gold Course Utility - Capital		153,542.81
	<u>\$ 157,692.71</u>	<u>\$ 157,692.71</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: 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.state.nj.us/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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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 ten 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.

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 nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable 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 seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. 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' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 10.81% of the Township's covered-employee 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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$507,992.02, and is payable by April 1, 2016. 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, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$522,546.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$356,248.94.

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.

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 year ended December 31, 2015 was 24.49% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$1,639,146.00, and is payable by April 1, 2016. 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, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$1,671,202.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$689,551.74.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.29% of the Township's covered-employee payroll.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is \$153,334.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was \$122,381.00, which was paid on April 1, 2015.

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 year ended December 31, 2015, employee contributions totaled \$521.68, and the Township's contributions were \$186.44. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was \$13,263,907.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. 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, 2015 measurement date, the Township's proportion was .0590872660%, which was a decrease of .004298805% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$644,818.00. 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 year ended December 31, 2015, the Township's contributions to PERS were \$522,546.00, and were paid on April 1, 2015.

Police and Firemen's Retirement System - At December 31, 2015, 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	\$ 33,588,524.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>2,945,604.00</u>
	<u>\$ 36,534,128.00</u>

Note 7: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. 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, 2015 measurement date, the Township's proportion was .2016539777%, which was a decrease of .01593088441% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was .2016539777%, which was an decrease of .0159308441% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$2,631,028.00. 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 year ended December 31, 2015, the Township's contributions to PFRS were \$1,671,202.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$367,421.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, 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	\$ 316,431.00	\$ -	\$ 316,431.00	\$ -	\$ 289,711.00	\$ 289,711.00
Changes of Assumptions	1,424,437.00	6,201,276.00	7,625,713.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	213,258.00	584,579.00	797,837.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	329,244.00	329,244.00	950,939.00	1,568,327.00	2,519,266.00
Township Contributions Subsequent to the Measurement Date	253,996.00	819,573.00	1,073,569.00	-	-	-
	<u>\$ 1,994,864.00</u>	<u>\$ 7,350,093.00</u>	<u>\$ 9,344,957.00</u>	<u>\$ 1,164,197.00</u>	<u>\$ 2,442,617.00</u>	<u>\$ 3,606,814.00</u>

\$253,996.00 and \$819,573.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

Note 7: **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) - 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:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
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
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

Note 7: **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 Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2016	\$ 74,457.00	\$ 746,257.00	\$ 820,714.00
2017	74,457.00	746,257.00	820,714.00
2018	74,455.00	746,257.00	820,712.00
2019	251,269.00	1,444,514.00	1,695,783.00
2020	102,033.00	404,618.00	506,651.00
	<u>\$ 576,671.00</u>	<u>\$ 4,087,903.00</u>	<u>\$ 4,664,574.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% 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 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of 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 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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, 2015, the plans measurement date, calculated using a discount rate of 4.90%, 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:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	\$ 16,485,414.00	\$ 13,263,907.00	\$ 10,563,019.00

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, 2015, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Township's Proportionate Share of the Net Pension Liability	\$ 44,280,338.00	\$ 33,588,524.00	\$ 24,870,305.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	3,883,241.00	2,945,604.00	2,181,045.00
	<u>\$ 48,163,579.00</u>	<u>\$ 36,534,128.00</u>	<u>\$ 27,051,350.00</u>

Note 7: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

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 Three Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0590872660%	0.0633861465%	0.0650289382%
Township's Proportionate Share of the Net Pension Liability	\$ 13,263,907.00	\$ 11,867,620.00	\$ 12,428,322.00
Township's Covered-Employee Payroll	\$ 4,109,132.00	\$ 4,252,212.00	\$ 4,403,740.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	322.79%	279.09%	282.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 507,992.00	\$ 522,546.00	\$ 489,980.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(507,992.00)</u>	<u>(522,546.00)</u>	<u>(489,980.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 4,699,685.00	\$ 4,258,075.00	\$ 4,227,722.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	10.81%	12.27%	11.59%

Note 7: **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 Three Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.2016539777%	0.2175848218%	0.2119724986%
Township's Proportionate Share of the Net Pension Liability	\$ 33,588,524.00	\$ 27,370,153.00	\$ 28,179,831.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>2,945,604.00</u>	<u>2,947,305.00</u>	<u>2,626,702.00</u>
Total	<u>\$ 36,534,128.00</u>	<u>\$ 30,317,458.00</u>	<u>\$ 30,806,533.00</u>
Township's Covered-Employee Payroll	\$ 6,451,000.00	\$ 6,869,784.00	\$ 6,699,096.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	520.67%	398.41%	420.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,639,146.00	\$ 1,671,202.00	\$ 1,546,504.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,639,146.00)</u>	<u>(1,671,202.00)</u>	<u>(1,546,504.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered-Employee Payroll	\$ 6,692,824.00	\$ 6,451,735.00	\$ 6,761,162.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	24.49%	25.90%	22.87%

Note 7: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum
Social Security Wage Base – 4.00 per annum

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Township's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population:

Non-union individuals may receive \$5,000.00 payment to apply towards health benefits with a carrier of their choice. In order to receive this benefit these individuals must reach 15 years of service with the Township in the Public Employees Retirement System and have reached 62 years of age.

Civilian union members may be provided coverage upon retirement if they have saved a required amount of sick leave. Covered members must have a minimum of 20 years' service with the Township. New Hires are not eligible for this benefit. Coverage ends upon members reaching the eligibility age for Medicare.

Funding Policy - The contribution requirements of plan members and the Township are established and may be amended by the Township's governing body.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and receives monthly contributions from retirees to offset a portion of the cost. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$126,415.92, \$101,489.29, and \$93,778.00, respectively.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funding Policy (Cont'd)

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose 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 \$354,631.00 at an unfunded discount rate of 4.5%. As stated above, the Township has funded the cost of existing retirees in the amount of \$126,415.92, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of \$338,231.00 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from 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 for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 354,631.00	\$ 354,631.00	\$ 390,242.00
Interest on the Net OPEB Obligation	44,900.00	34,100.00	21,100.00
Adjustment to the ARC	<u>(61,300.00)</u>	<u>(46,500.00)</u>	<u>(28,800.00)</u>
Annual OPEB Cost	338,231.00	342,231.00	382,542.00
Pay-as-You Go Cost (Existing Retirees)	<u>(126,415.92)</u>	<u>(101,489.29)</u>	<u>(93,778.00)</u>
Increase (Decrease) in the Net OPEB Obligation	211,815.08	240,741.71	288,764.00
Net OPEB Obligation, January 1	<u>997,318.06</u>	<u>756,576.35</u>	<u>467,812.35</u>
Net OPEB Obligation, December 31	<u>\$ 1,209,133.14</u>	<u>\$ 997,318.06</u>	<u>\$ 756,576.35</u>
Percentage of Annual OPEB Cost Contributed	37.4%	29.7%	24.5%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funded Status and Funding Progress - The funded status of the plan as of the three past actuarial valuation dates is as follows:

	<u>2014</u>	<u>2012</u>	<u>2010</u>
Actuarial Accrued Liability (AAL)	\$ 5,210,673.00	\$ 4,818,630.00	\$ 2,205,729.00
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,210,673.00</u>	<u>\$ 4,818,630.00</u>	<u>\$ 2,205,729.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 17,381,161.08	\$ 16,462,143.35	\$ 16,745,776.93
UAAL as a Percentage of Covered Payroll	29.98%	29.27%	13.17%

Actuarial valuations of an 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 schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

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 of 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 December 31, 2014 actuarial valuation, the Projected Unit Credit Funding Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8% in 2014, reducing by .05% per annum, leveling at 5% per annum in 2020. Both rates include a 2.0% salary inflation assumption. The actuarial value of the Township Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The Township Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was thirty years on a straight line basis.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Methods and Assumptions (Cont'd) - The information was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2014
Actuarial Cost Method	Projected Unit Credit Funding Method
Amortization Method	Straight Line Basis
Remaining Amortization	Period 30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.5%
Rate of Salary Increases	2.0%
Rate of Medical Inflation	8% in 2014, reducing by .05% per annum, leveling at 5% per annum in 2020
Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years
Turnover	NJ State Pensions Ultimate Withdrawal Rates Prior to Benefits Eligibility
Retirement Age	Bargained Members – Age 55 with 20 Years Service Non Bargained – Age 62 with 15 Years Service
Full Attribution Period	Service to Assumed Retirement Age

For determining the GASB ARC, the rate of employer contributions to the Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

Note 9: COMPENSATED ABSENCES

Township employees are granted vacation and sick leave in varying amounts under the Township's personnel policies.

Upon termination, an employee in good standing may take the unused portion of their annual vacation leave or may request payment for the same at their current rate of pay. An employee who terminates Township employment before they have been employed for a continuous period of six months shall not be entitled to such payment. No payment for unused vacation leave will be made to any employee who is dismissed.

Upon termination, and for employees retiring with fewer than fifteen (15) years of service, the Township will reimburse a non-union employee for ½ of their accrued sick leave, with a limit of 60 days. Non-union employees who retire with 15 – 24 years of service will be paid for 50% of all unused sick leave. Non-union employees who retire with 25 or more years of service will be paid for 75% of all unused sick leave. No payment for unused sick leave will be made for employees who are dismissed.

Upon termination, the Township will reimburse union employees for unused sick leave in accordance with the various union contracts.

Note 9: COMPENSATED ABSENCE (CONT'D)

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$1,859,055.72.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015, the balance of the fund was \$113,263.27.

Note 10: 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 11: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A.13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted on November 2, 1995 by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. On February 24, 2000, the NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP on November 2, 1995.

Note 12: LEASE OBLIGATIONS

At December 31, 2015, the Township had lease agreements in effect for the following:

Operating:
 Seventy-five (75) Golf Carts

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

<u>Year</u>	<u>Amount</u>
2016	\$ 80,088.00
2017	80,088.00
2018	80,088.00
2019	6,674.00

Rental payments under operating leases for the year 2015 were \$73,414.00.

Note 13: CAPITAL DEBT

General Improvement Bonds

General Improvement Refunding Bonds, Series 2005 - On January 1, 2005, the Township issued \$13,985,000.00 of General Improvement Refunding Bonds, with interest rates ranging from 3.0% - 4.5%, to advance refund \$10,250,000 General Improvement Bonds, Series 1997 and \$3,000,000 General Improvement Bonds, Series 1999. The final maturity of the bonds is September 15, 2017.

General Improvement Bonds, Series 2010 - On July 27, 2010, the Township issued \$2,570,000.00 of General Improvement Bonds, with interest rates ranging from 2.0% to 3.5%. The purpose of the bonds is to fund various capital ordinances. The final maturity of the bonds is February 15, 2025.

General Improvement Refunding Bonds, Series 2011 A - On November 11, 2011, the Township issued \$2,759,000.00 of General Improvement Refunding Bonds with interest rates ranging from 2.0% - 5.0%, to advance refund \$2,780,000 General Improvement Bonds Series 2001. The final maturity of the bonds is November 1, 2016.

General Improvement Bonds, Series 2014 - On October 2, 2014, the Township issued \$12,085,000.00 of General Improvement Bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds was to fund the various capital ordinances. The final maturity of the bonds is June 1, 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,310,000.00	\$ 541,897.50	\$ 2,851,897.50
2017	1,740,000.00	454,127.50	2,194,127.50
2018	755,000.00	386,712.50	1,141,712.50
2019	785,000.00	357,637.50	1,142,637.50
2020	815,000.00	327,412.50	1,142,412.50
2021-2025	4,575,000.00	1,143,342.50	5,718,342.50
2026-2030	4,185,000.00	454,106.25	4,639,106.25
2031	915,000.00	13,725.00	928,725.00
	<u>\$ 16,080,000.00</u>	<u>\$ 3,678,961.25</u>	<u>\$ 19,758,961.25</u>

General Debt - New Jersey Environmental Infrastructure Loans

On November 8, 2001, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,313,250.00, at no interest, from the fund loan, and \$1,330,000.00 at 3.0% interest from the trust loan. The proceeds were used to finance various capital ordinances. Semiannual debt payments are due February 1st and August 1st through 2021.

Note 13: 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>
2016	\$ 153,162.12	\$ 16,650.00	\$ 169,812.12
2017	145,263.44	14,100.00	159,363.44
2018	157,907.75	11,700.00	169,607.75
2019	162,357.09	9,000.00	171,357.09
2020	166,574.41	6,150.00	172,724.41
2021	170,554.34	3,150.00	173,704.34
	<u>\$ 955,819.15</u>	<u>\$ 60,750.00</u>	<u>\$ 1,016,569.15</u>

General Debt – Burlington County Bridge Commission Loan

The Township has entered into various loan agreements, 2002, 2004, 2005, 2009, 2011 and 2013, with the Burlington County Bridge Commission to fund various capital ordinances.

The following schedule represents the remaining debt service, through maturity, for the Burlington County Bridge Commission loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,146,000.00	\$ 520,075.02	\$ 1,666,075.02
2017	1,191,000.00	472,995.02	1,663,995.02
2018	1,240,000.00	420,605.02	1,660,605.02
2019	1,290,000.00	366,105.02	1,656,105.02
2020	1,357,000.00	305,166.26	1,662,166.26
2021-2025	5,246,000.00	589,806.30	5,835,806.30
	<u>\$ 11,470,000.00</u>	<u>\$ 2,674,752.64</u>	<u>\$ 14,144,752.64</u>

Golf Course Utility Improvement Bonds

General Improvement Refunding Bonds, Series 2011 B - On November 11, 2011, the Township issued \$2,326,000.00 of General Improvement Refunding Bonds with interest rates ranging from 2.0% - 5.0%, to advance refund \$2,350,000 General Improvement Bonds Series 2001. The final maturity of the bonds is November 1, 2017.

General Improvement Refunding Bonds, Series 2014 - On June 4, 2014, the Township issued \$3,735,000.00 of General Improvement Refunding Bonds, with an interest rate of 2.365% to advance refund \$3,620,000.00 of General Obligation Refunding Bonds, Series 2004. The final maturity of the bonds is August 15, 2024.

General Improvement Bonds, Series 2014 - On October 2, 2014, the Township issued \$450,000.00 of General Improvement Bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds was to fund various capital improvements to the golf course. The final maturity of the bonds is June 1, 2025.

Note 13: CAPITAL DEBT (CONT'D)

Golf Course Utility Improvement Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the golf course utility improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 955,000.00	\$ 168,806.50	\$ 1,123,806.50
2017	970,000.00	140,567.00	1,110,567.00
2018	600,000.00	111,698.00	711,698.00
2019	615,000.00	95,468.50	710,468.50
2020	560,000.00	78,802.76	638,802.76
2021-2025	<u>2,360,000.00</u>	<u>161,849.78</u>	<u>2,521,849.78</u>
	<u>\$ 6,060,000.00</u>	<u>\$ 757,192.54</u>	<u>\$ 6,817,192.54</u>

Golf Course Debt – Burlington County Bridge Commission Loan

On July 29, 2009, the Township entered into a loan agreement with the Burlington County Bridge Commission to provide \$259,000.00, with interest rates ranging from 2.5% to 5.0%. The proceeds were used to finance golf course improvements. The final maturity of the loan is August 15, 2026.

The following schedule represents the remaining debt service, through maturity, for the Burlington County Bridge Commission loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,000.00	\$ 8,793.76	\$ 21,793.76
2017	14,000.00	8,143.76	22,143.76
2018	15,000.00	7,443.76	22,443.76
2019	15,000.00	6,843.76	21,843.76
2020	16,000.00	6,093.76	22,093.76
2021-2025	94,000.00	17,668.80	111,668.80
2026	<u>21,000.00</u>	<u>918.76</u>	<u>21,918.76</u>
	<u>\$ 188,000.00</u>	<u>\$ 55,906.36</u>	<u>\$ 243,906.36</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 43,590,340.65	\$ 42,759,390.96	\$ 44,099,038.82
Golf Course Utility:			
Bonds, Loans and Notes	7,259,698.00	8,036,518.00	8,561,720.00
Miscellaneous Bond and Notes:			
Bonds Issued by another Public Body			
Guaranteed by the Township	761,714.54	801,744.30	840,985.32
Total Issued	<u>51,611,753.19</u>	<u>51,597,653.26</u>	<u>53,501,744.14</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	503,027.44	503,027.44	502,977.44
Golf Course Utility:			
Bonds, Loans and Notes	<u>657,157.90</u>	<u>657,157.90</u>	<u>656,937.90</u>
Total Authorized but not Issued	<u>1,160,185.34</u>	<u>1,160,185.34</u>	<u>1,159,915.34</u>
Total Issued and Authorized but not Issued	<u>52,771,938.53</u>	<u>52,757,838.60</u>	<u>54,661,659.48</u>
<u>Deductions</u>			
Golf Course Utility:			
Self-Liquidating	<u>7,916,855.90</u>	<u>8,693,675.90</u>	<u>9,218,657.90</u>
Total Deductions	<u>7,916,855.90</u>	<u>8,693,675.90</u>	<u>9,218,657.90</u>
Net Debt	<u>\$ 44,855,082.63</u>	<u>\$ 44,064,162.70</u>	<u>\$ 45,443,001.58</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .877%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 18,810,000.00	\$ 18,810,000.00	
Regional School Purposes	19,188,893.79	19,188,893.79	
Self-Liquidating	7,916,855.90	7,916,855.90	
General	<u>44,855,082.63</u>		\$ 44,855,082.63
	<u>\$ 90,770,832.32</u>	<u>\$ 45,915,749.69</u>	<u>\$ 44,855,082.63</u>

Note 13: CAPITAL DEBT (CONT'D)

Net debt \$44,855,082.63 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$5,115,002,096.67, equals .877%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 179,025,073.38
Less: Net Debt	<u>44,855,082.63</u>
Remaining Borrowing Power	<u><u>\$ 134,169,990.75</u></u>

Note 14: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The Township has the following bond issues outstanding that require a rebate calculation:

<u>Issue Date</u>	<u>Settlement Date</u>	<u>Amount</u>	<u>Liability</u>
October 2, 2014	October 15, 2014	\$ 12,535,000.00	(1)

(1) The rebate calculations on these bonds are required to be made at least once every five years. However, the Township has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>
Current Fund:		
Emergency Authorization	\$ 286,000.00	\$ 286,000.00

The appropriations in the 2016 Budget as adopted are not less than that required by the statutes.

Note 16: SCHOOL TAXES

Lenape Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 16,921,775.17	\$ 16,107,593.83
Deferred	<u>15,917,794.50</u>	<u>15,917,794.50</u>
School Tax Payable	<u>\$ 1,003,980.67</u>	<u>\$ 189,799.33</u>

Note 17: 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.

New Jersey Unemployment Compensation Insurance - On January 1, 2013, the Township was granted approval from the State to switch the funding of its New Jersey Unemployment Compensation Insurance from the Benefit Reimbursement Method to the Contributory Method. Under this plan, the Township remits quarterly contributions to the Unemployment Compensation Fund under a consolidated rate established annually by all governmental contributory members.

Joint Insurance Pool - The Township is a member of the Professional Municipal Management Joint Insurance Fund. The Fund provides its members with the following coverage:

- Public Employees Bond
- Public Officials Bond
- Business Automobile
- Workers' Compensation and Employer's Liability
- Harbor Marine
- Automobile Physical Damage
- Public Officials Liability
- Environmental Liability
- Property Damage other than Motor Vehicles

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

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Professional Municipal Management JIF
250 Pehle Avenue, Suite 701
Saddle Brook, New Jersey 07663

Self-Insurance - In 2012, the Township adopted a plan of self-insurance for employee health insurance and prescriptions. A Reserve for Employee Health Benefit Self Insurance Program was established in the Trust-- Other Fund to account for and finance its related uninsured risks of loss up to \$75,000.00 per person, per year. Insurance Administrators of America acts as administrator of the plan. The Township purchases commercial insurance for claims in excess of the \$75,000.00.

Note 17: RISK MANAGEMENT (CONT'D)

Self-Insurance (Cont'd) – The following is a summary of Township contributions, claims paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Receipts</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2015	\$ 3,227,814.38	\$ 2,813,882.99	\$ 914,585.44
2014	2,759,104.91	2,988,282.79	500,654.05
2013	3,169,483.00	2,666,017.21	729,831.93

At December 31, 2015, the balance of estimated health insurance payables was \$318,464.14, as provided by the third party administrator. None of the pending claim have been recorded as accounts payable and charged to the reserve employee health benefit self-insurance program as of December 31, 2015. Any additional funding required for claims in excess of the aforementioned reserve will be paid and charged to future budgets.

Note 18: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1999, and November 2, 2000 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Evesham Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Evesham Open Space, Recreation and Farmland Preservation Trust Funds.

Note 19: 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 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 20: 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.

Note 21: GUARANTOR OF DEBT

In 2010, the Township became co-borrower of a loan for the reconstruction of a dam located within the Township. The loan was made from the New Jersey Department of Environmental Protection, Dam Restoration Loan Program to the Marlton Lakes Civic Association in the amount of \$1,200,000 bearing an interest rate of 2.00% and matures in 20 years. In the event the original borrower defaults on a loan, the Township will be required to make the remaining payments. The bond ordinance authorizing the indebtedness contains a provision allowing the Township to recover its debt service costs in the event of default by amending the ordinance to assess properties receiving the benefit from the project. In 2012 the Marlton Lakes Civic Association paid off the principal balance on one part of the project. The remaining balance on the loan as of December 31, 2015 is \$761,714.54.

Note 22: SUBSEQUENT EVENTS

Bond Sale - On May 17, 2016, the Township issued \$5,375,000 in General Improvement Bonds, Series 2016 and \$4,490,000 in Open Space Bonds, Series 2016. The bonds were issued by the Township to provide funds which were used to: (i) permanently finance the costs of various capital improvements and equipment authorized by various Bond Ordinances; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements	03/22/16	\$ 3,625,000.00
Golf Course Utility Improvements		
Various Capital Improvements	03/22/16	695,000.00

APPENDIX C

FORMS OF BOND COUNSEL OPINION

May __, 2017

Mayor and Township Council
Township of Evesham, in the
County of Burlington, New Jersey

Re: Township of Evesham, in the County of Burlington, New Jersey
\$13,365,000 General Obligation Bonds, consisting of \$12,965,000 General Improvement
Bonds and \$400,000 Golf Course Utility Bonds.

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$13,365,000 General Obligation Bonds, consisting of \$12,965,000 General Improvement Bonds and \$400,000 Golf Course Utility Bonds (the "Bonds") by the Township of Evesham (the "Township") in the County of Burlington, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 124-2017 adopted by the Township Council on April 4, 2017 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated May __, 2017, and mature on February 1 in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated May __, 2017 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on February 1 and August 1 in each year until maturity, commencing on February 1, 2018.

The Bonds are issued without coupons. The principal amounts of the Bonds are subject to optional redemption and prepayment prior to their respective maturity and principal payment dates as set forth therein.

Proceeds of the Bonds will be used to (i) currently refund and redeem a portion of the Township's \$8,071,418 principal amount of Bond Anticipation Notes, Series 2016A, consisting of \$7,875,000 General Improvement Notes and \$196,418 Golf Utility Notes, each dated May 17, 2016 and maturing on May 16, 2017, (ii) fund additional capital projects for the Township in the amount of \$5,090,000 in general improvements and \$204,750 in golf improvements and (iii) pay the costs of issuance with respect to the Bonds.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the proceedings of the Township Council in connection with the adoption of the Ordinances and the Authorizing

Resolution, and the other certifications, instruments, documents and opinions prepared in connection with the Bonds.

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

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

1. The Ordinances and the Authorizing Resolution have been duly adopted by the Township Council and are in full force and effect.
2. The Bonds are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
3. For the payment of principal of and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
4. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals or corporations pursuant to Section 55 of the Code. For certain corporate holders, interest on the Bonds is included in adjusted current earnings for purposes of calculating the alternative minimum tax imposed on such holders.

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Bonds are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Bonds should consult their own tax advisers as to the applicability and effect on

their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

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

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

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

This is only an opinion letter and not a warranty or guaranty of the matters discussed above. This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

FORMS OF TOWNSHIP CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Evesham, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$13,365,000 General Obligation Bonds, consisting of \$12,965,000 General Improvement Bonds and \$400,000 Golf Course Utility Bonds (the "2017 Bonds"). The 2017 Bonds are being issued pursuant to Resolution 124-2017 adopted on April 4, 2017 (the "Resolution") and the bond ordinances of the Issuer set forth therein (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2017 Bond and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2017 Bonds (including persons holding 2017 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2017 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2017 Bond, including Beneficial Owners of in the 2017 Bonds.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2017 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

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

"Participating Underwriter" shall mean the original underwriter of the 2017 Bonds required to comply with the Rule in connection with the offering of the 2017 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall not later than two hundred ten (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Issuer's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the Issuer (commencing for the fiscal year ending December 31, 2017). Each Annual Report provided to the Dissemination Agent by the Issuer shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Securities and Exchange Commission.

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

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

SECTION 4. Contents of Annual Report. Annual Report shall mean: annual financial information with respect to the Issuer consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Issuer and certain financial information and operating data consisting of (i) the Issuer and overlapping indebtedness including a schedule

of outstanding debt issued by the Issuer, (ii) the Issuer's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB.

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2017 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2017 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2017 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Issuer shall, promptly upon obtaining actual knowledge of the occurrence of

any of the Listed Events which are material, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Issuer may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Issuer's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

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

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2017 Bonds. If such termination occurs prior to the final maturity of the 2017 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2017 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2017 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or

in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2017 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2017 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 12. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 13. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Issuer or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 14. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2017 Bonds, and shall create no rights in any other person or entity.

Date: May __, 2017

THE TOWNSHIP OF EVESHAM, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Thomas Shanahan,
Director of Finance

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: TOWNSHIP OF EVESHAM, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

Name of Bond Issue: \$13,365,000 GENERAL OBLIGATION BONDS, CONSISTING OF
\$12,965,000 GENERAL IMPROVEMENT BONDS AND \$400,000
GOLF COURSE UTILITY BONDS (THE "BONDS").

Date of Issuance: May __, 2017

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated May ____, 2017. The Issuer anticipates that the Annual Report will be filed by _____.

Dated:

TOWNSHIP OF EVESHAM, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Authorized Officer