

NOTICE OF SALE

\$9,981,000

TOWNSHIP OF WINSLOW

County of Camden, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2018

Consisting of:

\$6,164,000 General Improvement Bonds

\$3,817,000 Water/Sewer Utility Bonds

(Book-Entry-Only) (Callable)

ELECTRONIC PROPOSALS will be received via the BiDCOMP[®]/Parity[®] Electronic Competitive Bidding System ("PARITY") of i-Deal LLC ("i-Deal") in the manner described below, until 11:00 a.m. (Eastern), on

May 24, 2018

at which time they will be publicly announced for the purchase of the following bonds ("Bonds"), due on February 1, as follows:

Year	General Improvement	Water/Sewer Utility	Combined	Year	General Improvement	Water/Sewer Utility	Combined
2019	\$499,000	\$127,000	\$626,000	2027	\$635,000	\$250,000	\$885,000
2020	450,000	250,000	700,000	2028	650,000	250,000	900,000
2021	470,000	250,000	720,000	2029	675,000	240,000	915,000
2022	500,000	250,000	750,000	2030	0	240,000	240,000
2023	515,000	250,000	765,000	2031	0	240,000	240,000
2024	535,000	250,000	785,000	2032	0	240,000	240,000
2025	610,000	250,000	860,000	2033	0	240,000	240,000
2026	625,000	250,000	875,000	2034	0	240,000	240,000

The Bonds will be dated their date of delivery and bear interest at the rates per annum specified by the successful bidder therefor, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2019, until maturity or earlier redemption. The Bonds maturing on and after February 1, 2026 shall be subject to redemption prior to their stated maturity dates at the option of the Township, upon notice, 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 and after February 1, 2025, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Upon initial issuance, the Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds and be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of interests among its participants. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof, 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

records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each book-entry bondholder will receive a credit balance on the books of its nominee. For additional information, see "THE BONDS -- Book-Entry-Only System" in the preliminary official statement described below ("Preliminary Official Statement").

The Township has prepared a Preliminary Official Statement in connection with the sale of the Bonds which it has deemed "final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12, as amended ("Rule 15c2-12") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, except for certain omissions permitted thereunder. Within seven (7) business days of the sale of the Bonds, and in sufficient time to accompany any confirmation that requests payment from a customer, the Township will deliver a sufficient number of copies of the final official statement ("Official Statement") to the purchaser in order for the same to comply with Paragraph (b)(4) of Rule 15c2-12.

The Preliminary Official Statement is available for viewing in electronic format through the internet facilities of Bowman & Company LLP. Bowman & Company's web address is **www.govdebt.net** ("Site"). In addition, broker dealers registered with the National Association of Securities Dealers and dealer banks with DTC clearing arrangements may either: (i) print out a copy of the Preliminary Official Statement by their own means; or (ii) at any time prior to May 24, 2018, elect to receive a printed copy of the Preliminary Official Statement in the mail by requesting the same on the Bowman & Company web site or by calling the Township's Bond Counsel, Parker McCay P.A. ("Bond Counsel"), Parker McCay P.A., 9000 Midlantic Drive, Suite 300, P.O. Box 5054, Mount Laurel, New Jersey 08054. Calls should be directed to Alexis B. Batten, Esquire at (856) 985-4067. The Township's Municipal Advisor, Phoenix Advisors LLC, may also be contacted at 4 West Park Street, Bordentown, New Jersey 08505. Calls should be directed to Anthony Inverso at (609) 291-0130. In order to view, print a copy or request a copy of the Preliminary Official Statement from the Bowman & Company web site, please visit the Site. Bidders may log-in to access electronic viewing and delivery. Once logged-in to the Site, bidders must follow the applicable instructions and prompts to access the Preliminary Official Statement. All bidders must review the Preliminary Official Statement and certify that they have done so prior to participating in the bidding.

In accordance with the requirements of Rule 15c2-12, the Township will, prior to the issuance of the Bonds, enter into an agreement substantially in the form set forth in Appendix "D" to the Preliminary Official Statement ("Disclosure Agreement").

The Township will **not** designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended ("Code").

BID SPECIFICATIONS

Each **ELECTRONIC PROPOSAL** for the Bonds must be submitted to PARITY in accordance with this notice, 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,

including any fee charged, potential bidders may contact BiDCOMP/PARITY, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. The Township may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. If a bid submitted electronically by PARITY is accepted by the Township, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the successful bidder 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 TM3 News Services, or by other available means, no later than 3:00 p.m. (Eastern Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via PARITY to the Township as described above, each bid will constitute an official "Proposal for Bonds" and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting electronic bids, the time as 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 manner and in compliance with the requirements of this Notice of Sale. Neither the Township nor i-Deal shall have any duty or obligation to provide or assure to any bidder, and neither the Township nor i-Deal 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 Bonds. By using PARITY, each bidder agrees to hold the Township harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Each proposal must specify in a multiple of 1/8th or 1/20th of 1%, a single rate of interest which each maturity of the Bonds are to bear. Not more than one rate of interest may be named for Bonds of the same maturity. No rate of interest named for any maturity may be less than the rate of interest named for a prior maturity, and the difference between the highest and the lowest rates of interest named in the proposal shall not exceed three percent (3%). No proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest net interest cost to the Township under any legally acceptable proposal.

The Bonds will be sold to the bidder who, after having complied with the terms of this Notice of Sale, offers the lowest net interest cost for the Bonds. The net interest cost shall be computed in each instance by adding to the total amount of Bonds bid for, the total interest cost to maturity in accordance with such bid. **Proposals may not include any premium.** If two (2) or more bidders specify the same lowest net interest cost, then award will be made to one of such bidders selected by the undersigned by lot. The purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. The Township reserves the right to reject all bids and any bid not complying with the terms of this Notice of Sale.

Each bidder is required to make a good faith deposit, in the amount of **\$199,620** ("Deposit"), in the form of a cash wire or a certified, cashier's or treasurer's check, in each case payable to the order of the "Township of Winslow". If a cash wire is used, the wire must be received by the Township prior to **11:00 A.M.** (Eastern Time), on **THURSDAY, MAY 24, 2018**. Bidders submitting cash wires must (i) notify the Township of their intent to use such cash wire prior to **10:00 A.M.** (Eastern Time), on **THURSDAY, MAY 24, 2018** (ii) provide proof of electronic transfer of such cash wire prior to **11:00 A.M.** (Eastern Time), on **THURSDAY, MAY 24, 2018**; and (iii) also enclose return wiring instructions for use by the Township. Wiring instructions may be obtained by contacting the Township's Municipal Advisor, Phoenix Advisors LLC, at 4 West Park Street, Bordentown, New Jersey 08505. Calls should be directed to Anthony Inverso at (609) 291-0130 or ainverso@muniadvisors.com. If a check is used, the check must be a certified or cashier's or treasurer's check drawn upon a bank or trust company and must be delivered to the Township, c/o Mr. Stephen J. Dringus, Jr., Township of Winslow, Municipal Offices, 125 South Route 73, Braddock, New Jersey 08037 by no later than **11:00 A.M.** (Eastern Time), on **THURSDAY, MAY 24, 2018**. Bidders submitting good faith checks should also enclose a return envelope for use by the Township. Each bidder accepts responsibility for delivering such cash wire or check on time and the Township is not responsible for any cash wire or check that is not received on time. No interest on the Deposit will accrue to the successful bidder. When the successful bidder has been ascertained, all such Deposits shall be returned by the Township to the persons making the same within a reasonable period of time, except the cash wire or check of the successful bidder which shall be applied as partial payment for the Bonds or to secure the Township from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. Award of the Bonds to the successful bidder or rejection of all bids is expected to be made promptly after receipt of the bids. The successful bidder may not withdraw its proposal until after **5:30 P.M.** (Eastern Time), on the bid date and then only if such award has not been made prior to the withdrawal.

AT THE TIME OF DELIVERY OF THE BONDS, PAYMENT FOR THE BONDS SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

The successful bidder may refuse to accept the Bonds, if prior to their delivery, any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes and, in such case, the deposit made by such bidder will be returned and the successful bidder will be relieved of its contractual obligations arising from the acceptance of its proposal.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency") has assigned a rating of "AA-" to the Bonds, based upon the creditworthiness of the Township.

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

OPTIONAL PURCHASE OF MUNICIPAL BOND INSURANCE

Information concerning the Township has been furnished to certain companies for the purpose of qualifying the Bonds for municipal bond insurance. Any purchase of said insurance will be at the sole option and expense of the bidder and increased costs of issuance including, without limitation, any additional rating agency fees, resulting by reason of such insurance will be paid by such bidder. Notice of qualification of the Bonds for municipal bond insurance will be communicated via MUNIFACTS. If the Bonds qualify for municipal bond insurance, each bidder shall be required to specify whether municipal bond insurance will be purchased.

POSTPONEMENT

The Township reserves the right to postpone, from time to time, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED ON THOMSON MUNICIPAL NEWswire, BEFORE 11:00 A.M. ON THE DAY BEFORE THE SALE.** If any date fixed for receipt of bids and the sale of the Bonds is postponed, an alternative sale date will be announced via Thomson Municipal Newswire at least forty-eight hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on Thomson Municipal Newswire at the time the sale date and time are announced.

DELIVERY OF THE BONDS

It is anticipated that delivery of the Bonds will occur on or about June 5, 2018.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or a refusal by the purchaser thereof to accept delivery of and to pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Township; provided, however, that the CUSIP

Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

Closing Certificates:

Simultaneously with the delivery of the Bonds, the purchaser shall assist the Township in establishing the issue price and yield of the Bonds and shall execute and deliver to the Township at closing an "issue price" and "yield" or similar certificate setting forth the reasonably expected initial offering price to the public or the sale price or prices of the Bonds and yield, together with the supporting pricing wires or equivalent communications ("Issue Price Certificate"). The Issue Price Certificate shall be executed in the form attached hereto as Exhibit "A".

Establishment of Issue Price:

(a) The Township intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Township disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Township may receive bids from at least three (3) underwriters of municipal bonds or Bonds who have established industry reputations for underwriting new issuances of municipal bonds or Bonds; and
- (4) the Township anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(b) If the successful bidder is a bank or local government unit purchasing for its own account the provisions of paragraphs (d) and (e) below shall not apply

(c) In the event that paragraph (b) above is not applicable and the competitive sale requirements are not satisfied, the Township shall so advise the successful bidder. The Township shall treat the first price at which 10% of the Bonds (the "10% Test") is sold to the public as the issue price of the Bonds. The successful bidder shall advise the Township if the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Township will *not* require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of the Bonds as the issue price of the Bonds. Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that the Bonds will be subject to the 10% Test in order to establish the issue price of the Bonds.*

(d) If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to the Bonds, the successful bidder agrees to promptly report to the Township the prices at which the unsold Bonds have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been

satisfied as to the Bonds. If the 10% Test is not met by the closing date, a supplemental issue price certificate must be provided.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the successful bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

(f) Sales of any securities to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party;
- (ii) "underwriter" means: (A) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the Township to the successful bidder.

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (i) approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, a form of which can be found in Appendix "C" to the Preliminary Official Statement; (ii) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the Township, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the Bonds; and (iii) an executed copy of the Disclosure Agreement.

COMPLIANCE WITH P.L. 2005,c.271, s.3

The purchaser is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A. 19:44A-20.13* (P.L. 2005, c.271, s.3) if the purchaser enters into agreements or contracts, such as its agreement to purchase the Bonds, with a public entity, such as the Township and receives compensation or fees in excess of \$50,000 in the aggregate from public entities, such as the Township, in a calendar year. It is the purchaser's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

STEPHEN J. DRINGUS, JR., Chief Financial Officer

Dated: May 17, 2018

EXHIBIT "A"

\$9,981,000
TOWNSHIP OF WINSLOW
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2018
Consisting of:
\$6,164,000 General Improvement Bonds
\$3,817,000 Water/Sewer Utility Bonds

CERTIFICATE OF UNDERWRITER
REGARDING ISSUE PRICE AND YIELD

The undersigned, an authorized representative of _____, as underwriter ("Underwriter") of the above-captioned obligations ("Bonds"), hereby certifies as follows:

1. This certificate is delivered to the Township of Winslow, in the County of Camden, New Jersey ("Township"), and may be relied upon in establishing the reasonable expectations of the Township as to the matters stated herein as may be necessary or appropriate in the preparation by the Township of a certificate relating to arbitrage matters in connection with the issuance of the Bonds and in complying with the requirements of the Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder with respect to arbitrage.

2. This certificate is based on facts and estimates in existence on the date hereof and, to the best of the undersigned's knowledge and belief, the matters set forth herein are reasonable in light of such facts and estimates.

3. On May 24, 2018 ("Sale Date"), the Underwriter submitted and the Township accepted its competitive proposal to purchase the Bonds.

4. [As of the date of this certificate, the Underwriter has not sold at least 10% of the Bonds at a single price and agrees once it has sold at least 10% of the Bonds at a single price, it

will provide a Supplemental Issue Price Certificate to the Township and Bond Counsel, which date will be not later than thirty (30) days after the last day of the calendar quarter next ending after the date of closing of the Bonds.] [As of the date of this certificate, the first price at which at least 10% of the Bonds was sold to the Public (as defined below) is _____.]

[5. The Underwriter has offered the Bonds to the Public for purchase at the initial offering price listed in Schedule A ("Initial Offering Price") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

6. As set forth in the Notice of Sale and bid award, the Underwriter has agreed in writing that: (i) it would neither offer nor sell any of the Bonds to any person at a price that is higher than the Initial Offering Price during the Holding Period (as defined below) ("hold-the-offering-price rule"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no underwriter (as defined below) has offered or sold the Bonds at a price that is higher than the respective Initial Offering Price during the Holding Period.]

[5/7]. The Yield (as defined below) on the Bonds to maturity is not less than _____%

[6/8]. Capitalized terms utilized herein and not otherwise defined shall have the meanings ascribed thereto below:

(i) "Public" shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(ii) "Underwriter" shall mean: (a) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public). The representations set forth in this certificate are limited to factual matters only.

(iii) "Yield" shall mean that discount rate, determined on the basis of one interest compounding period equal to the term of the Bonds, which, when used in computing the present value of all unconditionally payable payments of principal (including original issue discount, if any), produces an amount equal to the aggregate issue price thereof.

[(iv) "Holding Period" means the period starting on the Sale Date and ending on the earlier of: (i) the close of the fifth business day after the Sale Date; or (ii) the date on which the Underwriter has sold at least 10% of the Bonds to the Public at a price that is no higher than the Initial Offering Price.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Township with respect to certain of the representations set forth in the Certificate as to Nonarbitrage and Other Tax Matters and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker McCay P.A. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Township from time to time relating to the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this __th day of June, 2018.

_____,
as Underwriter

By: _____
[NAME], [Title]

PRELIMINARY OFFICIAL STATEMENT DATED MAY 17, 2018

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township of Winslow, County of Camden, 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 previously amended, and as further amended pursuant to Public Law 115-97 ("Tax Cuts and Jobs Act"), signed into law on December 22, 2017 (as amended, 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 and, for tax years beginning prior to January 1, 2018, corporations pursuant to Section 55 of the Code. In the case of certain corporations that own the Bonds with tax years beginning prior to January 1, 2018, 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". For tax years beginning on and after January 1, 2018, the Tax Cuts and Jobs Act has repealed the alternative minimum tax for corporations. 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 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.

**\$9,981,000
TOWNSHIP OF WINSLOW
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2018
Consisting of:
\$6,164,000 General Improvement Bonds
\$3,817,000 Water/Sewer Utility Bonds
(Callable)**

Dated: Date of Delivery

Due: February 1, as shown on inside front cover

The \$9,981,000 aggregate principal amount of General Obligation Bonds, Series 2018 ("Bonds") of the Township of Winslow, County of Camden, New Jersey ("Township"), shall be issued in fully registered book-entry-only form without coupons in minimum denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds. The Bonds consist of: (i) \$6,164,000 aggregate principal amount of General Improvement Bonds; and (ii) \$3,817,000 aggregate principal amount of Water/Sewer Utility Bonds.

The principal of the Bonds shall be paid on their respective maturity dates thereof upon presentation and surrender of the Bonds at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as bond registrar and paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on February 1 and August 1 ("Interest Payment Dates"), commencing February 1, 2019, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates as set forth herein.

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

The Bonds are 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 2011-06, 2013-24, 2014-26, 2015-04, 2015-09, 2015-17, 2015-21, 2016-05, 2017-10, 2018-06 and 2018-07 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Mayor and Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Mayor and Township Committee on May 8, 2018; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2018.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The Bonds are general obligations of the Township and the full faith and credit of the Township are irrevocably pledged for the payment of principal and interest on the Bonds. The Bonds 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 page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township. Certain legal matters will be passed upon for the Township by its Solicitor, Stuart A. Platt, Esquire of the law firm Platt & Riso, P.C., Stratford, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. Delivery of the Bonds is further subject to certain other conditions set forth herein. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about June __, 2018.

MATURITY SCHEDULES

\$9,981,000

TOWNSHIP OF WINSLOW

County of Camden, New Jersey

GENERAL OBLIGATION BONDS, SERIES 2018

Consisting of:

\$6,164,000 General Improvement Bonds

\$3,817,000 Water/Sewer Utility Bonds

(Callable)

<u>Year</u>	<u>General Improvement Principal Amount</u>	<u>Water/ Sewer Utility Principal Amount</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2019	\$499,000	\$127,000	\$626,000	%	%
2020	450,000	250,000	700,000		
2021	470,000	250,000	720,000		
2022	500,000	250,000	750,000		
2023	515,000	250,000	765,000		
2024	535,000	250,000	785,000		
2025	610,000	250,000	860,000		
2026	625,000	250,000	875,000		
2027	635,000	250,000	885,000		
2028	650,000	250,000	900,000		
2029	675,000	240,000	915,000		
2030		240,000	240,000		
2031		240,000	240,000		
2032		240,000	240,000		
2033		240,000	240,000		
2034		240,000	240,000		

TOWNSHIP OF WINSLOW
County of Camden, New Jersey

Elected Officials

Barry M. Wright	Mayor
Marie D. Lawrence	Deputy Mayor
Paula Paretti	Committee Member
Edward Pleczynski	Committee Member
Evelyn Leverett	Committee Member
Carlos Vascos	Committee Member
Raymond Watkins, Jr.	Committee Member
Charles Flamini	Committee Member
John Wilson	Committee Member

Administrator

Joseph Gallagher

Chief Financial Officer

Stephen J. Dringus, Jr.

Municipal Clerk

Deborah A. Iannaco

Township Solicitor

Stuart A. Platt, Esquire
Platt & Riso, P.C.
Stratford, New Jersey

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Phoenix Advisors, LLC
Bordentown, 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 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 there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. 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 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 UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE 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.

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OFFICIAL STATEMENT

\$9,981,000
TOWNSHIP OF WINSLOW
County of Camden, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2018
Consisting of:
\$6,164,000 General Improvement Bonds
\$3,817,000 Water/Sewer Utility Bonds
(Callable)

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the appendices attached hereto, is to provide certain information relating to the issuance by the Township of Winslow, County of Camden, New Jersey ("Township"), of its \$9,981,000 aggregate principal amount of General Obligation Bonds, Series 2018 ("Bonds"). The Bonds consist of: (i) \$6,164,000 aggregate principal amount of General Improvement Bonds; and (ii) \$3,817,000 aggregate principal amount of Water/Sewer Utility Bonds.

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

AUTHORIZATION FOR THE 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 ("State"), as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2011-06, 2013-24, 2014-26, 2015-04, 2015-09, 2015-17, 2015-21, 2016-05, 2017-10, 2018-06 and 2018-07 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Mayor and Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Mayor and Township Committee on May 8, 2018; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2018.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The capital improvements and equipment to be permanently financed with the proceeds of the Bonds include the following:

General Improvement Bonds

Ordinance Number	Purpose	Obligations Authorized	Notes Outstanding	Bonds to be Issued
2015-04	Various Capital Improvements	\$1,480,000	\$1,480,000	\$1,480,000
2015-09	Acquisition of various capital equipment	190,000	190,000	190,000
2015-17	Improvements at Calabrese Park	153,250	153,250	153,000
2015-21	Acquisition of Trash and Recycling Containers	950,000	950,000	950,000
2017-10	Various capital improvements and acquisition of various capital equipment	1,662,500	1,662,500	1,662,000
2018-06	Various capital improvements and acquisition of various capital equipment	1,729,000	0	1,729,000
TOTAL		\$6,164,750	\$4,435,750	\$6,164,000

Water/Sewer Utility Bonds

Ordinance Number	Purpose	Obligations Authorized	Notes Outstanding	Bonds to be Issued
2013-24	Various Utility Improvements	\$290,000	\$290,000	\$290,000
2014-26	Installation SCADA System	118,585	118,585	118,500
2011-06	Rehabilitation and reconstruction of Well Nos. 3, 7 and 9	3,700,000	1,008,589	1,008,500
2016-05	Various water / sewer improvements and acquisition of various water/sewer equipment	1,100,000	1,100,000	1,100,000
2018-07	Various Utility Improvements	1,300,000	0	1,300,000
TOTAL		\$6,508,585	\$2,517,174	\$3,817,000

Total

	Obligations Authorized	Notes Outstanding	Bonds to be Issued
TOTAL	\$12,673,335	\$6,952,924	\$9,981,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$9,981,000. 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, 2019, in each year until maturity or earlier redemption. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple 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--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 are subject to redemption prior to their stated maturity dates, as further described herein.

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 principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as registrar and paying agent ("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 next preceding an Interest Payment Date (each a "Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds 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 is the responsibility of the DTC Participants and not the Township or the Paying Agent.

Redemption Provisions

The Bonds maturing on and after February 1, 2026 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, 2025, 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 Township or 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.

Book-Entry-Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds 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. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

¹ Source: The Depository Trust Company

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

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

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

Redemption notices, 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 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 or the Paying Agent, as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

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

DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but neither the Township nor the Underwriter (as hereinafter defined) take any responsibility for the accuracy thereof.

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township or the Paying Agent; (ii) the transfer of the Bonds may be registered on the books maintained by the Township or the Paying Agent for such purposes only upon the surrender thereof to the Township or the Paying Agent, together with the duly executed assignment in form satisfactory to the Township or the Paying Agent for the Bonds; and (iii) for every exchange or registration of transfer of the Bonds, the Township or the Paying Agent 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. 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.

SECURITY FOR THE BONDS

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

GENERAL INFORMATION REGARDING THE 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, 2017; and (b) audited financial statements of the Township for the years ended December 31, 2016, 2015, 2014, 2013 and 2012. 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, Voorhees, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete 2017 Annual Financial Statement (unaudited) and Reports of Audit may be obtained upon request to the office of the Township Clerk of the Township, or via the Township's website: www.winslowtownship.com.

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, 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.

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

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the 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, 2016 is on file with the Township Clerk and is available for review during business hours, and is available online at the Township's website: www.winslowtownship.com.

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.

Local Budget Law

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

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

No budget shall be adopted unless the Director shall have previously certified 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. 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 (2.00%) 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 (2.00%) 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 2.00%; (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 2.00% 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 (2.00%) 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 (2.00%) 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.

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:

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

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 (3.00%) 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.

Water/Sewer Utility Budget

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

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.

The Municipal Finance Commission

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 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.

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 effective for the year 2012.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% 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

In the opinion of Parker McCay P.A., Mount Laurel, 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 previously amended, and as further amended pursuant to Public Law 115-97 ("Tax Cuts and Jobs Act"), signed into law on December 22, 2017 (as amended, 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 and, for tax years beginning prior to January 1, 2018, corporations pursuant to Section 55 of the Code.

For tax years beginning on and after January 1, 2018, the Tax Cuts and Jobs Act has repealed the alternative minimum tax for corporations. However, for tax years beginning prior to January 1, 2018, 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).

For certain corporations with tax years beginning prior to January 1, 2018, interest on tax-exempt obligations, including the Bonds, is not excludable in calculating "adjusted current earnings" of those corporations. Accordingly, a portion of the interest on the Bonds received or accrued by corporations with tax years beginning prior to January 1, 2018 that own 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.

New Jersey

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

Changes in Federal and State Tax Law

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

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

OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

LITIGATION

To the knowledge of the Township's Solicitor, Stuart Platt, Esq. of the law firm Platt & Riso, P.C., Stratford, New Jersey ("Solicitor"), there is no litigation of any nature now pending, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency") has assigned a rating of "AA-" to the Bonds, based upon the creditworthiness of the Township.

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

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 by certificates signed by various officers and officials of the Township upon issuance and delivery of the Bonds.

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.

The Township compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

Neither Bond Counsel or the Municipal Advisor (as hereinafter defined) have participated in the preparation of this Official Statement, nor have such firms verified the accuracy, completeness

or fairness of the information contained herein (except, for Bond Counsel, under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated May __, 2018. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

LEGALITY FOR INVESTMENT

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

MUNICIPAL ADVISOR

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

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 ("Rule"), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission, the Township will, prior to the issuance of the Bonds, enter into an agreement substantially in the form set forth in Appendix "D".

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) audited financial information for the fiscal years ending December 31, 2012 and 2013; (ii) operating data for the fiscal years ending December 31, 2012 and 2013; (iii) annual budget information for the fiscal year ending December 31, 2013. Additionally, the Township acknowledges that it previously failed to file event notices and late filing notices in connection with its untimely filings of: (i) audited financial information; (ii) operating data; (iii) annual budget information; and (iv) certain rating changes with respect to the Township and bond insurers. Such notices of events and late filings (as described herein) have since been filed with the MSRB's Electronic Municipal Market Access Dataport. The Township appointed Phoenix Advisors, LLC in March of 2016 to serve as continuing disclosure agent.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Bond Counsel. Such opinion, substantially in the form set forth in Appendix "C" hereto, will accompany the Bonds and provide, *inter alia*, that the Bonds 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 interest thereon. The enforceability of rights or remedies with respect to the Bonds 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 the Solicitor.

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

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties 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

Additional information may be obtained from Stephen J. Dringus, Jr., Chief Financial Officer, Township of Winslow, at (609) 567-0700 or the Municipal Advisor at (609) 291-0130.

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.

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 WINSLOW, NEW JERSEY

By: _____
STEPHEN J. DRINGUS, Jr., Chief Financial Officer

Dated: May __, 2018

APPENDIX A

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

GENERAL INFORMATION ON THE TOWNSHIP

History, Location and Area

The Township is a 57.4 square mile community at the southeastern end of Camden County ("County"). It is bordered in the County on the north by Gloucester Township, Pine Hill Borough, and Berlin Borough; on the east by Chesilhurst and Waterford; in Atlantic County on the south by Hammonton Town and Folsom Borough; and in Gloucester County on the west by Monroe Township. It straddles the Atlantic City Expressway and New Jersey State Highway Route No. 30, the White Horse Pike, which leads to the Cities of Camden, Philadelphia and Atlantic City. The Township was created and incorporated from a part of the Township of Gloucester by an act of the State Legislature on March 8, 1845. The name is derived from the village of Winslow which was named after one of the very early industries in the area, the Winslow Glass Works.

Form of Government

The Township is governed by a nine-member Township Committee, comprised of the Mayor, who is elected at large for a four-year term, and presides over meetings of the Township Committee. The other eight members of the Township Committee, two from each of four wards, are elected for three-year terms on a staggered basis. The functions of the Mayor are, among others, to see that the laws of the State and the ordinances of the Township are carried out. The functions of the Township Committee are, among others, to adopt the municipal budget and to enact ordinances to promote and secure the health, government and protection of the Township and its residents.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee. To that end, the Township Administrator keeps the Township Committee informed as to the conduct of the Township affairs, the condition of the Township finances and the welfare and future needs of the Township.

The financial affairs of the Township are administered by the Chief Financial Officer, who reports to the Township Committee. With the Township Administrator, the Chief Financial Officer prepares and then monitors the annual municipal budget after adoption by the Township Committee.

Planning, Development and Recreational Activities

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for non-residential use. There are 13,668 residential dwellings and 1,388 apartment units.

The Township is currently undergoing a period of substantial growth in ratables. This is primarily the result of the lifting of a long standing sewer moratorium, and the anticipation of implementing Planning and Zoning Board recommendations to rezone the Route 73 Corridor (among other revisions) as a "Regional Growth Area" within the million acre plus Pinelands. These zoning changes now provides for commercial zoning in addition to the existing residential zones. Along with the availability of water and sewer service within the zones, and the close proximity to the Atlantic City Expressway, the Black Horse Pike and the White Horse Pike; the zoning changes now makes the Route 73 Corridor a prime location for development.

The Township owns and maintains nineteen various parks throughout the Township which include tot lots, ballfields and picnic areas. The Township Clerk coordinates seasonal

uses of facilities which include baseball, football and soccer leagues. The Township Parks and Recreation Department consists of one Parks Superintendent and maintenance workers.

Pinelands

The legislative mandate to protect the Pinelands is set forth in the National Parks and Recreation Act of 1978 ("Pinelands Act") signed by President Carter. The Pinelands Act established the Pinelands National Reserve, encompassing parts of seven southern New Jersey counties and all or parts of fifty-six municipalities. This includes the County municipalities of Waterford Township, Winslow Township, Berlin Township, Berlin Borough and Chesilhurst Borough. Approximately seventy-five percent (75%) of the Township is in the preservation area.

The New Jersey Pinelands Commission, established in 1979 by the Pinelands Protection Act, adopted the Pinelands Comprehensive Management Plan in 1981. The Comprehensive Management Plan consists of recommendations and regulations for the protection, preservation, regulation and development of the Pinelands region.

Public Services

The Township currently has a contract with Waste Management Services for the removal of solid waste in the Township. Pick-up is provided for recyclable paper, glass and metals, which are ultimately sold to provide the Township with a small source of revenue.

The Township had its own sewerage treatment plant until May 1, 1990 which serviced a part of the Township. At that time, the Camden County Municipal Utilities Authority ("CCMUA") took over the treatment portion of the public wastewater system. The plant has a capacity of 1.65 million gallons per day (mgd) and serviced approximately 10,600 customers at August 15, 2016.

The Township operates a public water system which services part of the Township and had approximately 12,300 customers at August 15, 2016.

Emergency Medical Service

There is a consolidated service that provides emergency medical services for the entire Township.

Police

The safety and security of the residents is protected by a Chief, one Deputy Chief, one Captain, five Lieutenants, six Sergeants and sixty-one uniformed officers. The Township's force provides twenty-four hour patrol car surveillance.

Transportation

The City of Philadelphia is easily accessible from the Township via the White Horse Pike and the Benjamin Franklin Bridge or the Atlantic City Expressway-North/South Freeway and the Walt Whitman Bridge, which span the Delaware River. This route enables Township residents to reach Center City Philadelphia in approximately thirty minutes. The New Jersey Turnpike and Interstate 295 provide a modern limited-access highway network to points in the State for Township residents. The world famous resort, Atlantic City, is approximately thirty miles away.

The Township is a suburban area within the Delaware Valley economic region, a tri-state region comprised of eleven counties in Pennsylvania, New Jersey and Delaware. The

Delaware Valley Region stretches from Trenton, New Jersey south to Wilmington, Delaware and includes the Philadelphia-Camden metropolitan area. It is a major transportation hub combining one of the largest port facilities in the world with extensive rail, highway and air networks. The Delaware Valley is one of the nation's major concentrations of manufacturing and service activities.

An impetus for the development of the Township has been the Delaware River Port Authority's High Speed Transit Line, providing fast service between Lindenwold and the urban center of Camden and Philadelphia, and the extension of the line to Atlantic City.

Compensated Absences

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward. For additional information regarding compensated absences, see Appendix B: Excerpts from the Financial Statements of the Township, Note 11 to Financial Statements of this Official Statement.

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, see Appendix B: Excerpts from the Financial Statements of the Township, Note 9 to Financial Statements of this Official Statement.

Township Employees

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Permanent	170	162	164	167	184
Part-time	<u>13</u>	<u>8</u>	<u>8</u>	<u>12</u>	<u>14</u>
Total	<u>183</u>	<u>170</u>	<u>172</u>	<u>179</u>	<u>198</u>

Employee Collective Bargaining Units

<u>Collective Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Camden Council 10	62	Dec. 31, 2019 *
Winslow Township Police Officers' Association	61	Dec. 31, 2019
Winslow Township Superior Officers' Association	7	Dec. 31, 2019
WTPA Sergeants	6	Dec. 31, 2019

* Memorandum of agreement has been signed and contract is near completion.

Township Population(1)

2010 Federal Census	39,499
2000 Federal Census	34,611
1990 Federal Census	30,087
1980 Federal Census	20,034
1970 Federal Census	11,202

Selected Census 2016 Data for the Township(1)

Median household income	\$73,336
Median family income	\$85,637
Per capita income	\$32,684

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 in the State. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Municipal Land Use Law was adopted by the Township to give the Township Zoning Board of Adjustment and Planning Board authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, morals and general welfare.

Building Permits (2)

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2018(3)	683	\$10,877,907
2017	2,276	44,269,298
2016	2,204	58,732,518
2015	2,013	65,958,875
2014	1,599	41,743,026
2013	1,294	30,551,088

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

(2) Source: Township's Construction Office

(3) As of April 30, 2018

Township Labor Force (1)

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

<u>Year</u>	<u>Labor Force</u>	<u>Employed Persons</u>	<u>Unemployed Persons</u>	<u>Unemployment Rate</u>
Township				
2017	20,079	18,956	1,123	5.6%
2016	20,025	18,809	1,216	6.1
2015	19,790	18,405	1,385	7.0
2014	19,582	17,952	1,630	8.3
2013	20,108	18,085	2,023	10.1
County				
2017	256,929	243,835	13,094	5.1%
2016	256,005	241,947	14,058	5.5
2015	255,354	239,308	16,046	6.3
2014	252,870	233,430	19,440	7.7
2013	258,486	234,463	24,023	9.3
State				
2017	4,518,800	4,309,700	209,100	4.6%
2016	4,530,800	4,305,500	225,300	5.0
2015	4,543,800	4,288,800	255,000	5.6
2014	4,513,600	4,209,700	303,900	6.7
2013	4,528,500	4,157,600	370,800	8.2

TEN LARGEST PRIVATE SECTOR EMPLOYERS IN CAMDEN COUNTY (2)

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Employees</u>
Virtua Health	Multi-hospital healthcare system	3,024
Cooper Hospital University Medical Center	Hospital	3,000
Lourdes Health System	Healthcare system	2,451
Kennedy Health System	Integrated healthcare delivery system	2,282
Bancroft NeuroHealth	Education programs and treatment services	1,600
Campbell Soup Co.	Prepared food products	1,400
TD Bank, N.A.	Banking services	1,364
Aluminum Shapes	Aluminum extrusions	1,300
L-3 Communication Systems-East	Design, develop, produce and integrate communication systems	1,111
Baxter Healthcare	Manufacturer of ethical pharmaceuticals	1,000

(1) Source: New Jersey Department of Labor

(2) Source: Philadelphia Business Journal, Book of Lists

GENERAL INFORMATION ON THE SCHOOL DISTRICT(1)

Primary and Secondary

The School District is a Type II school district functioning through a nine-member Board which is elected by the voters for staggered three-year terms.

The School District operates six elementary schools, one middle school and one high school within the Township, providing educational services for grades kindergarten through twelve and preschool handicapped students.

In 2001, the School District became a Pre-K to 12 district as a result of voter approval to dissolve the Lower Camden County Regional School District. Schools 1-4 became Pre-K to 2nd grade, Schools 5-6 became 3rd grade to 5th grade, the Middle School became 6th grade to 8th grade and the High School became 9th grade to 12th grade. Starting September 2010, Schools 1-4 became Pre-K through 3rd grade, Schools 5 and 6 became 4th grade through 6th grade, the Middle School became 7th and 8th grades, and High School remained 9th grade through 12th grade.

TOWNSHIP OF WINSLOW SCHOOL DISTRICT STUDENT ENROLLMENTS

<u>Grade</u>	<u>2017</u>	<u>2016</u>	<u>October 15,</u> <u>2015</u>	<u>2014</u>	<u>2013</u>
1/2 day Pre K	0	0	0	1	0
Full day Pre K	173	179	167	150	85
1/2 day K	0	0	0	0	0
Full day K	306	325	336	337	385
1	337	352	337	368	347
2	323	329	358	322	327
3	314	339	302	326	295
4	323	296	318	281	350
5	294	315	284	322	324
6	322	295	318	320	302
7	277	309	309	275	322
8	305	311	272	327	365
9	277	260	313	366	374
10	230	259	295	261	257
11	249	296	267	265	260
12	268	264	264	243	264
Special Ed.	<u>816</u>	<u>790</u>	<u>763</u>	<u>726</u>	<u>652</u>
Total	<u>4,814</u>	<u>4,919</u>	<u>4,903</u>	<u>4,890</u>	<u>4,909</u>

(1) Source: School District officials

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Oct. 15, 2017 Enrollment</u>	<u>Operational Capacity</u>
Winslow Elementary School #1	1968	2008, 1985	Pre-K-3	348	415
Winslow Elementary School #2	1968	2008, 1985	Pre-K-3	351	496
Winslow Elementary School #3	1973	2008	Pre-K-3	481	660
Winslow Elementary School #4	1977	2017, 2008, 1988	Pre-K-3	500	668
Winslow Elementary School #5	1989	2008	4-6	607	949
Winslow Elementary School #6	1993		4-6	530	900
Winslow Middle School	1970	2010, 2001	7-8	722	1,500
Winslow High School	1958	2010, 2001	9-12	<u>1,275</u>	<u>1,800</u>
Total				<u>4,814</u> (2)	<u>7,388</u>

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

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

Camden County College

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

As of the Fall of 2017, full time enrollment was 5,041 and part-time enrollment was 5,451 for a total of 10,492.

Camden County Technical Schools

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

(1) Source: School District officials

(2) Excludes Charter School students

For high school students, there are 32 career programs from which to choose. For the 2017-2018 school year, 1,325 students are enrolled at the Gloucester Township Campus, and 771 at the Pennsauken Campus, including 323 Special Education Students between the two campuses. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

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

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2018 Assessed Valuation</u>
Woodlands at Cedar Parke, LLC	Life Care Facility	\$19,500,000
Johns Manville	Insulation	13,900,000
Timberlane/Colleen Manor	Apartments	10,880,100
ARC HR5SINJ001	Supermarket Store	8,258,600
Edgewood Acres/Gardens	Apartments	8,098,400
Kramer Beverage Company	Beer Distributor	7,050,000
Carmax Auto Superstores, Inc.	Car Dealership	7,004,000
Winslow Center Partners	Stores	6,100,000
Regency House Apartments, LLC	Apartments	5,766,500
Donio Leasing Company	Produce Shipping/Warehouse	5,701,600

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2017(3)	\$91,871,704	\$88,893,171	96.76%	\$2,262,112	2.46%
2016	91,070,616	87,994,095	96.62	2,069,193	2.27
2015	89,380,377	86,239,921	96.49	2,337,702	2.62
2014	87,096,483	84,265,998	96.75	2,353,965	2.70
2013	86,034,909	82,926,291	96.39	2,427,933	2.82

(1) Source: Township Tax Assessor

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

(3) Information from Annual Compiled Financial Statement

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding Jan 1</u>	<u>Added</u>	<u>Collected Amount</u>	<u>Percentage</u>	<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
2017(2)	\$2,275,643	\$16,460	\$2,085,788	91.00%	\$44,887	\$15,300	\$146,128
2016	2,496,220	22,302	2,215,754	87.98	94,090	2,226	206,450
2015	2,584,182	35,852	2,169,184	82.79	231,930	61,003	158,518
2014	2,792,630	74,899	2,422,243	84.47	200,642	14,425	230,217
2013	3,360,897	123,338	2,704,050	77.61	24,711	390,777	364,697

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Costs Accrued to Liens/ Adjustments</u>	<u>Collections</u>	<u>Cancellations</u>	<u>Balance Dec. 31</u>
2017(2)	\$5,053,372	\$646,070	-	\$361,153	-	\$5,338,289
2016	4,259,767	779,639	\$66,944	50,492	\$2,486	5,053,372
2015	3,478,714	961,326	151,675	310,544	21,404	4,259,767
2014	2,820,586	638,888	119,195	98,742	1,212	3,478,714
2013	2,483,278	393,005	30,379	86,034	42	2,820,586

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance Dec. 31</u>
2017(2)	\$2,193,800	-	-	\$2,193,800
2016	183,200	\$68,964	\$1,941,636	2,193,800
2015	3,162,730	-	(2,979,530)	183,200
2014	3,162,730	-	-	3,162,730
2013	3,162,730	-	-	3,162,730

CURRENT WATER-SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy Amount</u>	<u>Percentage</u>	<u>Outstanding Dec. 31 Amount</u>	<u>Percentage</u>
2017(2)	\$1,656,507	\$9,971,410	\$10,116,617	87.00%	\$1,479,188	12.72%
2016	1,654,013	10,111,650	9,919,243	84.31	1,656,507	14.08
2015	1,601,751	9,940,121	9,647,563	83.59	1,654,013	14.33
2014	1,736,402	9,666,780	9,797,462	85.92	1,601,751	14.05
2013	1,204,619	9,449,491	8,818,316	82.77	1,736,402	16.30

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Information from Annual Compiled Financial Statement

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Assessed Valuation</u>	<u>Tax Rate (2)</u>				
		<u>Total</u>	<u>County (3)</u>	<u>Local School</u>	<u>Municipal</u>	<u>Fire District</u>
2018	\$2,643,131,473	---	---	---	---	---
2017	2,639,796,149	\$3.474	\$0.886	\$1.845	\$0.605	\$0.138
2016	2,646,066,940	3.430	0.892	1.805	0.595	0.138
2015	2,636,593,675	3.380	0.884	1.782	0.580	0.134
2014	2,627,503,750	3.305	0.834	1.759	0.580	0.132
2013	2,632,751,322	3.261	0.840	1.721	0.567	0.133

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (4)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(5)</u>
2018	\$2,637,706,250	100.14%	\$2,634,018,624	\$66,686
2017	2,634,383,150	101.08	2,606,235,803	65,982
2016	2,640,670,800	99.63	2,650,477,567	67,102
2015	2,631,030,900	99.53	2,643,455,139	66,925
2014	2,622,013,400	102.44	2,559,560,133	64,801

REAL PROPERTY CLASSIFICATION (6)

<u>Year</u>	<u>Assessed Value</u>						
	<u>Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Farm</u>	<u>Apartment</u>
2018	\$2,637,706,250	\$52,961,200	\$2,272,852,300	\$201,876,250	\$32,074,700	\$25,770,900	\$52,170,900
2017	2,634,383,150	54,708,200	2,272,549,200	203,087,250	30,351,600	25,711,500	47,975,400
2016	2,640,670,800	56,605,500	2,273,436,000	203,287,500	31,045,900	28,320,500	47,975,400
2015	2,631,030,900	67,879,900	2,260,122,200	193,524,600	31,104,200	34,011,100	44,388,900
2014	2,622,013,400	69,446,200	2,250,791,900	190,768,100	31,104,200	34,075,700	45,827,300

(1) Source: Township's Tax Collector

(2) Per \$100 of Assessed Valuation

(3) Includes Open Space and Library Tax

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

(5) Based on Federal Census 2010 of 39,499

(6) Source: Township Tax Assessor

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

The following table summarizes the direct debt of the Township as of December 31, 2017 in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued in the form of bonds, loans, bond anticipation notes and debt authorized but not issued, including General, Water-Sewer Utility and debt of the School District. Deductions from gross debt to arrive at net debt include local school debt, as well as debt considered to be self-liquidating. The resulting net debt of \$10,717,964 represents 0.408% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Deductions						
	Debt Issued		Authorized But Not Issued	Gross Debt	School Debt	Self-Liquidating Debt	Net Debt
	Bonds/Loans	Notes					
General	\$ 6,113,239	\$ 4,435,750	\$ 168,975	\$ 10,717,964			\$ 10,717,964
School District	5,535,000			5,535,000	\$ 5,535,000		
Water and Sewer Utility	15,110,284	2,517,174	2,372,742	20,000,200		\$ 20,000,200	
	\$ 26,758,523	\$ 6,952,924	\$ 2,541,717	\$ 36,253,164	\$ 5,535,000	\$ 20,000,200	\$ 10,717,964

(1) As of December 31, 2017

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad Property for 2015, 2016 and 2017	\$ 2,627,986,103
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2015, 2016 and 2017	0.408%
2018 Net Valuation Taxable	\$ 2,643,131,473
2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 2,639,443,847
Gross Debt (2):	
As a percentage of 2018 Net Valuation Taxable	1.37%
As a percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.37%
Net Debt (2):	
As a percentage of 2018 Net Valuation Taxable	0.41%
As a percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.41%
Gross Debt Per Capita (3)	\$ 918
Net Debt Per Capita (3)	\$ 271

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2015-17) Equalized Valuation of Real Property including Improvements (\$2,627,986,103)	\$ 91,979,514
Net Debt	<u>10,717,964</u>
Remaining Borrowing Capacity	<u>\$ 81,261,550</u>

SCHOOL DISTRICT BORROWING CAPACITY(1)

4% of Averaged (2015-17) Equalized Valuation of Real Property including Improvements (\$2,627,986,103)	\$ 105,119,444
School Debt	<u>5,535,000</u>
Remaining Borrowing Capacity	<u>\$ 99,584,444</u>

(1) As of December 31, 2017

(2) Excluding overlapping debt

(3) Based on Federal 2010 Census of 39,499

TOWNSHIP OF WINSLOW
OVERLAPPING DEBT AS OF DECEMBER 31, 2017

DEBT ISSUED					
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Camden(1):					
General:					
Bonds	\$ 36,125,000	\$ 8,342,385 (2)	\$ 27,782,615	\$ 2,017,018 (4)	\$ 11,960,225
Notes	35,461,125		35,461,125	2,574,478 (4)	
Loan Agreements	314,966,900		314,966,900	22,866,597 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	276,594,254	276,594,254 (3)			
	<u>\$ 663,147,279</u>	<u>\$ 284,936,639</u>	<u>\$ 378,210,640</u>	<u>\$ 27,458,092</u>	<u>\$ 11,960,225</u>

(1) Source: County of Camden.

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

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2017 Net Valuation on which County taxes are apportioned, which is 7.26%.

Camden County Municipal Utilities Authority

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

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

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

The gross debt as of December 31, 2017 for the CCMUA was \$171,431,116. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

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

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

TOWNSHIP OF WINSLOW
SCHEDULE OF LONG TERM DEBT SERVICE(1)

Budget Year Ending Dec. 31	<u>Series 1998 - Green Acres</u>		<u>Series 2003 - Green Acres</u>		<u>Series 2005 - G.O. Bonds</u>		<u>Series 2007 - G.O. Bonds</u>		Balance Carried Forward
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 2,007.14	\$ 20.08	\$ 5,993.60	\$ 660.00	\$ 175,000.00	\$ 19,197.50	\$ 370,000.00	\$ 18,500.00	\$ 591,378.32
2019			6,114.07	539.53	180,000.00	12,052.50			198,706.10
2020			6,236.97	416.63	30,000.00	7,792.50			44,446.10
2021			6,362.33	291.27	30,000.00	6,555.00			43,208.60
2022			6,490.21	163.39	35,000.00	5,197.50			46,851.10
2023			3,293.83	32.94	35,000.00	3,718.75			42,045.52
2024					35,000.00	2,231.25			37,231.25
2025					35,000.00	743.75			35,743.75
2026									-
2027									-
2028									-
2029									-
2030									-
2031									-
2032									-
2033									-
2034									-
	<u>\$ 2,007.14</u>	<u>\$ 20.08</u>	<u>\$ 34,491.01</u>	<u>\$ 2,103.76</u>	<u>\$ 555,000.00</u>	<u>\$ 57,488.75</u>	<u>\$ 370,000.00</u>	<u>\$ 18,500.00</u>	<u>\$ 1,039,610.74</u>

(1) As of December 31, 2017

TOWNSHIP OF WINSLOW
SCHEDULE OF LONG TERM DEBT SERVICE(1) (CONT'D)

Budget Year Ending Dec. 31	Balance Brought Forward	<u>Series 2008 - G.O. Bonds</u>		<u>Refunding Series 2009</u>		<u>Series 2010 - Green Acres</u>		<u>2012 Refunding Bonds (A)</u>		Balance Carried Forward
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 591,378.32	\$ 917,250.00	\$ 18,345.00	\$ 415,000.00	\$ 29,487.50	\$ 9,105.38	\$ 2,398.52	\$ 240,000.00	\$ 54,550.00	\$ 2,277,514.72
2019	198,706.10			400,000.00	16,000.00	9,288.39	2,215.49	305,000.00	47,350.00	978,559.98
2020	44,446.10					9,475.08	2,028.80	320,000.00	38,200.00	414,149.98
2021	43,208.60					9,665.54	1,838.35	320,000.00	25,400.00	400,112.49
2022	46,851.10					9,859.81	1,644.07	315,000.00	12,600.00	385,954.98
2023	42,045.52					10,058.00	1,445.90			53,549.42
2024	37,231.25					10,260.16	1,243.73			48,735.14
2025	35,743.75					10,466.39	1,037.49			47,247.63
2026	-					10,676.76	827.12			11,503.88
2027	-					10,891.37	612.52			11,503.89
2028	-					11,110.29	393.60			11,503.89
2029	-					11,333.63	170.29			11,503.92
2030	-									-
2031	-									-
2032	-									-
2033	-									-
2034	-									-
	<u>\$ 1,039,610.74</u>	<u>\$ 917,250.00</u>	<u>\$ 18,345.00</u>	<u>\$ 815,000.00</u>	<u>\$ 45,487.50</u>	<u>\$ 122,190.80</u>	<u>\$ 15,855.88</u>	<u>\$1,500,000.00</u>	<u>\$ 178,100.00</u>	<u>\$ 4,651,839.92</u>

(1) As of December 31, 2017

TOWNSHIP OF WINSLOW
SCHEDULE OF LONG TERM DEBT SERVICE(1) (CONT'D)

Budget Year Ending Dec. 31	Balance Brought Forward	<u>2012 Refunding Bonds (B)</u>		<u>Series 2016 - G.O. Bonds</u>		<u>New Jersey Environmental Infrastructure Trust Loans</u>				Balance Carried Forward
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>2000</u>		<u>2002</u>		
						<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 2,277,514.72	\$ 395,000.00	\$ 87,900.00	\$ 475,000.00	\$ 155,636.26	\$ 337,299.33	\$ 32,287.50	\$ 228,683.87	\$ 33,625.00	\$ 4,022,946.68
2019	978,559.98	410,000.00	75,825.00	600,000.00	150,886.26	347,150.63	22,050.00	232,866.82	27,375.00	2,844,713.69
2020	414,149.98	420,000.00	65,475.00	950,000.00	143,386.26	356,673.46	11,287.50	236,886.36	20,875.00	2,618,733.56
2021	400,112.49	430,000.00	56,437.50	950,000.00	129,136.26			240,742.49	14,125.00	2,220,553.74
2022	385,954.98	440,000.00	46,650.00	950,000.00	114,886.26			252,703.61	6,922.49	2,197,117.34
2023	53,549.42	450,000.00	34,950.00	950,000.00	95,886.26					1,584,385.68
2024	48,735.14	465,000.00	21,225.00	950,000.00	76,886.26					1,561,846.40
2025	47,247.63	475,000.00	7,125.00	909,000.00	57,886.26					1,496,258.89
2026	11,503.88			300,000.00	39,706.26					351,210.14
2027	11,503.89			300,000.00	33,706.26					345,210.15
2028	11,503.89			300,000.00	27,706.26					339,210.15
2029	11,503.92			300,000.00	21,706.26					333,210.18
2030	-			275,000.00	15,706.26					290,706.26
2031	-			250,000.00	10,206.26					260,206.26
2032	-			245,000.00	5,206.26					250,206.26
2033	-									-
2034	-									-
	<u>\$ 4,651,839.92</u>	<u>\$ 3,485,000.00</u>	<u>\$ 395,587.50</u>	<u>\$ 8,704,000.00</u>	<u>\$ 1,078,533.90</u>	<u>\$ 1,041,123.42</u>	<u>\$ 65,625.00</u>	<u>\$ 1,191,883.15</u>	<u>\$ 102,922.49</u>	<u>\$ 20,716,515.38</u>

(1) As of December 31, 2017

TOWNSHIP OF WINSLOW
SCHEDULE OF LONG TERM DEBT SERVICE(1) (CONT'D)

Budget Year Ending Dec. 31	New Jersey Environmental Infrastructure Trust Loans								
	Balance	2005		2012		2015		Grand Total	
	Brought Forward	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 4,022,946.68	\$ 10,000.00	\$ 5,018.76	\$ 112,868.34	\$ 38,572.50	\$ 33,292.28	\$ 7,350.00	\$ 3,726,499.94	\$ 503,548.62
2019	2,844,713.69	15,000.00	4,593.76	112,868.34	36,072.50	33,292.28	7,100.00	2,651,580.53	402,060.04
2020	2,618,733.56	15,000.00	3,956.26	112,868.34	33,572.50	33,292.28	6,850.00	2,490,432.49	333,840.45
2021	2,220,553.74	15,000.00	3,281.26	117,868.34	31,072.50	38,292.28	6,600.00	2,157,930.98	274,737.14
2022	2,197,117.34	15,000.00	2,625.00	122,868.34	28,322.50	38,292.28	6,100.00	2,185,214.25	225,111.21
2023	1,584,385.68	15,000.00	1,968.76	122,868.34	25,322.50	38,292.28	5,600.00	1,624,512.45	168,925.11
2024	1,561,846.40	15,000.00	1,312.50	127,868.34	22,322.50	38,292.28	5,100.00	1,641,420.78	130,321.24
2025	1,496,258.89	15,000.00	656.25	127,868.34	19,072.50	38,292.28	4,600.00	1,610,627.01	91,121.25
2026	351,210.14			132,868.34	15,822.50	38,292.28	4,100.00	481,837.38	60,455.88
2027	345,210.15			137,868.34	12,322.50	38,292.28	3,600.00	487,051.99	50,241.28
2028	339,210.15			137,868.34	10,072.50	38,292.28	3,200.00	487,270.91	41,372.36
2029	333,210.18			142,868.34	7,822.50	38,292.28	2,800.00	492,494.25	32,499.05
2030	290,706.26			130,187.99	5,322.50	38,292.28	2,400.00	443,480.27	23,428.76
2031	260,206.26			85,000.00	2,762.50	38,292.28	2,000.00	373,292.28	14,968.76
2032	250,206.26					38,292.28	1,600.00	283,292.28	6,806.26
2033	-					43,292.28	1,200.00	43,292.28	1,200.00
2034	-					43,292.44	600.00	43,292.44	600.00
	\$ 20,716,515.38	\$ 115,000.00	\$ 23,412.55	\$ 1,724,608.07	\$ 288,455.00	\$ 645,968.92	\$ 70,800.00	\$ 21,223,522.51	\$ 2,361,237.41

(1) As of December 31, 2017

**TOWNSHIP OF WINSLOW
2018 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 2,176,366
Local Revenues	2,767,010
State Aid Without Offsetting Reserves	6,050,378
Dedicated Uniform Construction Code Fees Offset with Appropriations	710,000
Special Items of Revenue with Consent of DLGS:	
Public and Private Revenues	545,892
Other Special Items	1,600,119
Receipts from Delinquent Taxes	2,275,000
Amount to be Raised from Taxation	<u>16,210,000</u>
 Total Anticipated Revenues	 <u><u>\$ 32,334,765</u></u>
Appropriations:	
Within "CAPS":	
Operations	\$ 22,813,215
Deferred Charges and Statutory Expenditures	3,551,019
Excluded from "CAPS":	
Operations	59,885
Public and Private Programs	29,545
Capital Improvement Fund	622,256
Municipal Debt Service	1,751,750
Reserve for Uncollected Taxes	<u>3,507,095</u>
 Total Appropriations	 <u><u>\$ 32,334,765</u></u>

DEDICATED WATER-SEWER BUDGET

Anticipated Revenues:	
Operating Surplus Anticipated	\$ 400,000
Rents	9,950,000
Miscellaneous	<u>362,455</u>
 Total Water-Sewer Utility Revenues	 <u><u>\$ 10,712,455</u></u>
Appropriations:	
Operating:	
Salaries and Wages	\$ 1,604,750.00
Other Expenses	5,475,005
Debt Service:	
Payment of Bond Principal	2,085,000
Payment of Bond Anticipation Notes and Capital Notes	174
Interest on Bonds	400,000
Interest on Notes	41,000
Deferred Charges:	
Improvement Authorizations	300,000
Statutory Expenditures:	
Public Employees Retirement System	278,526
Social Security System (O.A.S.I.)	125,000
Unemployment Compensation Insurance	3,000
Surplus (General Budget)	<u>400,000</u>
 Total Water-Sewer Utility Appropriations	 <u><u>\$ 10,712,455</u></u>

**TOWNSHIP OF WINSLOW
2018 MUNICIPAL BUDGET (1)**

**CAPITAL PROGRAM
Projects Scheduled for the Years 2018-2023**

Project Title	Estimated Total Cost	Capital Improvement Fund	Grants-in- Aid and Other Funds	<u>Bonds and Notes</u>	
				General	Self Liquidating
Purchase of Police Vehicles, Digital Sign Board and Equipment	\$ 1,010,000	\$ 50,500		\$ 959,500	
Purchase of Public Works Vehicles and Equipment	600,000	30,000		570,000	
Improvements to Township Roads, Parking Lots Curbs and Cutouts including Sicklerville Rd. & Hampton Gate/Drexel Gate	1,374,256	42,600	\$ 522,256	809,400	
Improvements to Municipal Buildings and Grounds	2,011,000	100,550		1,910,450	
Purchase of Mechanics Lift	10,000	500		9,500	
Upgrades to Computer System & Equipment including GIS	135,000	6,750		128,250	
Purchase of Furniture & Fireproof Cabinets	102,000	5,100		96,900	
Utility:					
Infrastructure Upgrades	3,720,000				\$ 3,720,000
Purchase of Hose Trailer	10,000				10,000
Acquisition of Water Meter Heads, Bases and Guns	1,100,000				1,100,000
Acq. of Sewer Pump Motors	50,000				50,000
Purchase of Vehicles, Equipment & Furniture	780,000				780,000
Renovations to Utility Buildings	290,000				290,000
TOTALS - ALL PROJECTS	\$ 11,192,256	\$ 236,000	\$ 522,256	\$ 4,484,000	\$ 5,950,000

(1) Source: 2018 Adopted Budget

APPENDIX B

**COMPILED AND AUDITED FINANCIAL STATEMENTS OF THE
TOWNSHIP OF WINSLOW,
IN THE COUNTY OF CAMDEN, NEW JERSEY**

FOR THE YEAR ENDED DECEMBER 31, 2017

COMPILED FINANCIAL STATEMENTS



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Winslow
Braddock, New Jersey 08037

Management is responsible for the accompanying financial statements of the Township of Winslow, in the County of Camden, 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, 2017 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 City's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

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

/s/ Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 23, 2018

TOWNSHIP OF WINSLOW
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017

ASSETS:

Regular Fund:

Cash	\$ 8,565,627.07
Change Fund	1,000.00
Due from State of New Jersey-Senior Citizens and Veterans Deductions	<u>126,231.57</u>

8,692,858.64

Receivables and Other Assets

with Full Reserves:

Delinquent Property Taxes Receivable	2,408,239.37
Tax Title Liens Receivable	5,338,288.66
Property Acquired for Taxes (at Assessed Valuation)	2,193,800.00
Revenue Accounts Receivable	36,464.83
Interfunds Receivable	<u>539,385.67</u>

10,516,178.53

19,209,037.17

Federal and State Grant Fund:

Cash	436,200.70
Federal and State Grants Receivable	<u>1,525,249.30</u>

1,961,450.00

\$ 21,170,487.17

**LIABILITIES, RESERVES
AND FUND BALANCE:**

Regular Fund:

Liabilities:

Appropriation Reserves	\$ 272,098.13
Reserve for Encumbrances Payable	478,290.79
Tax Overpayments	69,468.81
Prepaid Taxes	1,645,583.71
Local District School Tax Payable	7,912.75
Due to County for Added and Omitted Taxes	43,943.82
Interfunds Payable	1,890,514.74
Due to State of New Jersey:	
Marriage License Fees	5,384.00
State Training Fees	<u>1,813.00</u>

4,415,009.75

Reserve for Receivables and Other Assets 10,516,178.53

Fund Balance 4,277,848.89

19,209,037.17

Federal and State Grant Fund:

Interfunds Payable	993,285.16
Appropriated Reserves	<u>968,164.84</u>

1,961,450.00

\$ 21,170,487.17

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2017

REVENUE AND OTHER INCOME REALIZED:

Fund Balance Utilized	\$ 2,245,000.00
Miscellaneous Revenue Anticipated	11,766,168.40
Receipts from Delinquent Taxes	2,446,941.39
Receipts from Current Taxes	88,893,171.27
Non-Budget Revenue	807,798.56
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	45,352.72
Liquidation of Reserves for:	
Interfunds and Accounts Receivable	<u>135,818.83</u>
 Total Income	 <u>106,340,251.17</u>

EXPENDITURES:

Budget and Emergency Appropriations:	
Operations Within "CAPS":	
Salaries and Wages	12,133,050.00
Other Expenses	9,855,697.65
Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	3,299,546.00
Operations -- Excluded from "CAPS":	
Salaries and Wages	60,000.00
Other Expenses	320,087.81
Capital Improvements -- Excluded from "CAPS"	87,500.00
Municipal Debt Service -- Excluded from "CAPS"	1,765,374.84
County Taxes	23,352,221.15
Due County for Added and Omitted Taxes	43,943.82
Local School District Tax	48,701,381.00
Special District Taxes - Fire District	3,626,000.00
Other Charges to Income:	
Refund of Prior Year Revenue	185,093.53
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	16,459.60
Creation of Reserves for:	
Interfunds and Accounts Receivable	<u>158,035.41</u>
 Total Expenditures	 <u>103,604,390.81</u>

Excess in Revenue	2,735,860.36
-------------------	--------------

FUND BALANCE:

Balance January 1	<u>3,786,988.53</u>
	6,522,848.89
Decreased by:	
Utilized as Revenue	<u>2,245,000.00</u>
 Balance December 31	 <u><u>\$ 4,277,848.89</u></u>

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
TRUST FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017

ASSETS:

Animal Control Fund:

Cash	\$ 28,201.71
	<u>28,201.71</u>

Trust Other Funds:

Cash	13,727,707.40
Due from Community Development Block Grant	360,287.49
Interfunds Receivable	952,327.59
Due from County of Camden	<u>29,673.97</u>
	<u>15,069,996.45</u>
	<u><u>\$ 15,098,198.16</u></u>

LIABILITIES, RESERVES
AND FUND BALANCE:

Animal Control Fund:

Due to Current Fund	\$ 25,413.36
Reserve for Animal Control Expenses	<u>2,788.35</u>
	<u>28,201.71</u>

Trust Other:

Reserve for Trust Other	<u>15,069,996.45</u>
	<u>15,069,996.45</u>
	<u><u>\$ 15,098,198.16</u></u>

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017

ASSETS:

Cash	\$ 958,533.41
Deferred Charges to Future Taxation:	
Funded	6,113,238.95
Unfunded	4,604,725.00
Grants Receivable	228,250.00
Due from Current Fund	<u>87,500.00</u>
 Total Assets	 <u><u>\$ 11,992,247.36</u></u>

LIABILITIES, RESERVES AND FUND BALANCE:

Improvement Authorizations:	
Funded	\$ 13,494.15
Unfunded	778,872.47
Reserve for Encumbrances	471,784.21
Capital Improvement Fund	25,000.00
General Capital Bonds	5,954,550.00
Loans Payable	158,688.95
Bond Anticipation Notes	4,435,750.00
Reserve for Payment of Debt	144,401.98
Fund Balance	<u>9,705.60</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 11,992,247.36</u></u>

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
WATER AND SEWER UTILITY OPERATING FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2017

ASSETS:

Operating Fund:	
Cash	\$ 1,825,064.50
Interfunds Receivable	1,927,923.82
Consumer Accounts Receivable	1,479,188.18
Liens Receivable	<u>57,245.55</u>
Total Operating Fund	<u>5,289,422.05</u>
Capital Fund:	
Cash	552,692.85
Fixed Capital	62,311,219.63
Fixed Capital Authorized and Uncompleted	<u>8,874,912.12</u>
Total Capital Fund	<u>71,738,824.60</u>
Total Assets	<u><u>\$ 77,028,246.65</u></u>

LIABILITIES, RESERVES AND FUND BALANCE:

Operating Fund:	
Appropriation Reserve	\$ 131,693.48
Reserve for Encumbrances	267,582.30
Overpayments	25,649.37
Accrued Interest on Bonds, Loans and Notes	116,209.13
Reserve for Consumer Accounts and Lien Receivable	1,536,433.73
Fund Balance	<u>3,211,854.04</u>
Total Operating Fund	<u>5,289,422.05</u>
Capital Fund:	
Interfunds Payable	597,923.82
Improvement Authorizations:	
Funded	25.25
Unfunded	1,238,588.25
Encumbrances Payable	378,650.75
Reserve for Amortization	51,810,931.44
Due to Developer	2,436.89
Serial Bonds Payable	10,391,700.00
New Jersey Environmental Infrastructure Loans	4,718,583.56
Bond Anticipation Notes Payable	2,517,174.00
Capital Improvement Fund	8,513.75
Fund Balance	<u>74,296.89</u>
Total Capital Fund	<u>71,738,824.60</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 77,028,246.65</u></u>

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
WATER AND SEWER UTILITY FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2017

Revenue and Other Income Realized:	
Surplus Anticipated	\$ 600,000.00
Rents	10,116,616.78
Miscellaneous Revenues Anticipated	790,962.39
Reserve to Pay Debt	
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	14,417.26
	<u>11,521,996.43</u>
Expenditures:	
Operating	6,880,000.00
Capital Improvements	
Debt Service	2,454,146.80
Deferred Charges and Statutory Expenditures	581,515.00
Surplus (General Budget)	600,000.00
Other Charges to Income:	
Refund of Prior Year Revenue	13,374.63
	<u>10,529,036.43</u>
Total Expenditures	
	<u>992,960.00</u>
Excess in Revenues	
	<u>2,818,894.04</u>
Fund Balance:	
Balance January 1	
	<u>3,811,854.04</u>
Decreased by:	
Utilized as Revenue	600,000.00
	<u>600,000.00</u>
Balance December 31	<u><u>\$ 3,211,854.04</u></u>

See Independent Accountant's Compilation Report and Selected Notes.

TOWNSHIP OF WINSLOW
Notes to Financial Statements
For the Year Ended December 31, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Winslow was incorporated in 1692 and is located in southeast New Jersey approximately thirty miles southeast of the City of Philadelphia. The population according to the latest census is 39,499.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected to a four-year term. Members of the Township Committee are elected to four-year terms on a staggered basis. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Administrator and Township Clerk.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

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.

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

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

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

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

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

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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. 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.

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The 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.

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, Township of Winslow School District and Township of Winslow 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 Winslow School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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.

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

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.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS), and additions to/deductions from PFRS' and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, 2014, 2013 AND 2012

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Winslow
Braddock, New Jersey 08037

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 Winslow, in the County of Camden, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, 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.

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 Winslow, in the County of Camden, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, 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 Winslow, in the County of Camden, State of New Jersey, as of December 31, 2016, 2015, 2014, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,

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

/s/Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 30, 2017

TOWNSHIP OF WINSLOW

CURRENT FUND

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

	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash	\$ 5,393,628	\$ 8,328,891	\$ 6,823,404	\$ 9,514,467	\$ 7,368,421
Federal and State Grants Receivable	1,504,251	1,187,568	1,394,133	1,579,388	1,235,098
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	2,275,643	2,496,220	2,584,182	2,792,630	3,360,897
Tax Title Liens Receivable	5,053,372	4,259,766	3,478,714	2,820,586	2,483,278
Property Acquired for Taxes--					
Assessed Valuation	2,193,800	183,200	3,162,730	3,162,730	3,162,730
Revenue Accounts Receivable	36,465	21,200	31,773	35,656	31,191
Accounts Receivable-Other	137,236	600,199	568,163	62,436	105,208
Deferred Charges		90,000	165,000	330,000	495,000
Interfunds Receivable	736,934	1,336,623	87,840	145,185	593,809
	<u>\$ 17,331,329</u>	<u>\$ 18,503,667</u>	<u>\$ 18,295,939</u>	<u>\$ 20,443,078</u>	<u>\$ 18,835,632</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 41,085	\$ 136,327	\$ 142,426	\$ 209,837	\$ 607,572
Reserve for Encumbrances	442,824	657,475	618,085	700,839	582,690
Interfunds Payable	904,447	942,701	2,205,330	828,644	841,591
Local School Tax Payable	7,913	3,824,559	7,913	3,532,216	3,604,423
Due County for Added and Omitted Taxes	90,369	68,499	67,798	48,623	140,846
Prepaid Taxes, Fees and Licenses	938,072	809,264	613,339	564,309	537,151
Tax Overpayments	123,462	125,410	75,868	92,668	58,247
Other Liabilities and Special Funds	12,424	179,571	719,523	904,756	789,221
Reserve for Receivables and Other Assets	10,076,449	8,580,523	9,816,297	8,956,786	9,631,904
Reserve for Federal and State Grants	907,295	783,512	859,643	1,073,411	760,801
Fund Balance	3,786,989	2,395,826	3,169,717	3,530,989	1,281,186
	<u>\$ 17,331,329</u>	<u>\$ 18,503,667</u>	<u>\$ 18,295,939</u>	<u>\$ 20,443,078</u>	<u>\$ 18,835,632</u>

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

TOWNSHIP OF WINSLOW

CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue Realized:					
Current Tax Collections	\$ 87,994,095	\$ 86,239,920	\$ 84,265,998	\$ 82,926,291	\$ 79,949,972
Delinquent Tax Collections	2,266,246	2,479,728	2,520,985	2,790,084	2,268,845
 Total Taxes	 90,260,341	 88,719,648	 86,786,983	 85,716,375	 82,218,817
Miscellaneous Revenues Anticipated	11,910,713	9,929,537	9,633,525	11,856,717	12,654,733
Nonbudget Revenues and Other Income	1,832,050	1,555,233	520,925	812,538	1,718,953
Fund Balance Utilized	1,455,000	1,333,446	1,290,967	496,034	900,000
 Total Income	 105,458,104	 101,537,864	 98,232,401	 98,881,664	 97,492,503
Expenditures and Encumbrances:					
Operating	22,317,774	20,913,183	20,449,283	20,344,393	21,260,467
Capital Improvements	25,000	86,225	35,000	65,000	
Debt Service	1,427,773	1,404,437	1,536,934	1,469,023	1,386,150
Deferred Charges and Statutory Expenditures	3,287,635	3,227,455	3,054,972	3,159,639	3,298,087
County Taxes	23,643,153	23,332,278	21,949,146	22,118,043	21,996,934
Fire District Taxes	3,632,040	3,526,277	3,460,182	3,484,982	3,363,603
Local District School Purposes	47,766,839	46,980,000	46,209,265	45,321,951	44,475,876
Creation of Reserve for Interfunds	400,475	1,537,956	554,713	144,304	586,724
Other Expenditures	111,252	60,498	53,210	28,492	13,159
 Total Expenditures and Encumbrances	 102,611,941	 101,068,309	 97,302,706	 96,135,827	 96,381,000
 Excess in Revenues	 2,846,163	 469,555	 929,695	 2,745,837	 1,111,503
Adjustments to Income Before Fund Balance-- expenditures Included above which are by statute deferred charges to budget of succeeding year	-	90,000	-	-	-
 Statutory Excess of Fund Balance	 2,846,163	 559,555	 929,695	 2,745,837	 1,111,503
 Fund Balance Beginning of Year	 2,395,826	 3,169,717	 3,530,989	 1,281,186	 1,069,683
 Decreased by:	 5,241,989	 3,729,272	 4,460,684	 4,027,023	 2,181,186
Utilized as Revenue	1,455,000	1,333,446	1,290,967	496,034	900,000
 Fund Balance Ending of Year	 <u>\$ 3,786,989</u>	 <u>\$ 2,395,826</u>	 <u>\$ 3,169,717</u>	 <u>\$ 3,530,989</u>	 <u>\$ 1,281,186</u>

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

TOWNSHIP OF WINSLOW
TRUST - OTHER FUNDS
Statements of Assets, Liabilities and Reserves - Regulatory Basis

	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash	\$ 4,233,535	\$ 3,884,646	\$ 3,598,025	\$ 3,183,952	\$ 2,195,740
Investments	10,754,799	10,621,640	10,187,814	9,943,470	9,823,622
Interfunds Receivable	278,097	219,513	219,513	219,513	376,776
Other Accounts Receivable	270,909	281,713	324,867	296,421	404,192
	<u>\$ 15,537,340</u>	<u>\$ 15,007,512</u>	<u>\$ 14,330,219</u>	<u>\$ 13,643,356</u>	<u>\$ 12,800,330</u>
LIABILITIES AND RESERVES					
Other Accounts Payable	\$ 5				
Interfunds Payable	25,000	\$ 7,264	\$ 12,922	\$ 3,654	\$ 509,928
Reserve for Special Funds	15,512,335	15,000,248	14,317,297	13,639,702	12,290,402
	<u>\$ 15,537,340</u>	<u>\$ 15,007,512</u>	<u>\$ 14,330,219</u>	<u>\$ 13,643,356</u>	<u>\$ 12,800,330</u>

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

**TOWNSHIP OF WINSLOW
GENERAL CAPITAL FUND**

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

	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash and Investments	\$ 19,750	\$ 715,618	\$ 572,862	\$ 1,898,458	\$ 47,952
Accounts Receivable	228,250	228,250			
Deferred Charges to Future Taxation:					
Funded	7,649,496	4,005,534	5,180,359	6,317,978	7,421,350
Unfunded	2,942,225	7,608,225	4,954,975	5,082,975	3,529,375
Interfunds Receivable		185,352	913,000		550,000
	<u>\$ 10,839,721</u>	<u>\$ 12,742,979</u>	<u>\$ 11,621,196</u>	<u>\$ 13,299,411</u>	<u>\$ 11,548,677</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds and Loans Payable	\$ 7,649,496	\$ 4,005,534	\$ 5,180,359	\$ 6,317,978	\$ 7,421,350
Bond Anticipation Notes	2,536,415	7,370,415	4,954,000	4,304,500	2,004,500
Improvement Authorizations:					
Funded	7,596	41,933	33,562	58,178	75,087
Unfunded	131,108	909,457	1,280,178	2,456,354	1,686,038
Interfunds Payable	355,584	212,665			57,743
Capital Improvement Fund	25,000		51,275	16,275	16,275
Reserve for Encumbrances	109,842	156,804	107,949	143,687	269,420
Fund Balance	24,680	46,171	13,873	2,439	18,264
	<u>\$ 10,839,721</u>	<u>\$ 12,742,979</u>	<u>\$ 11,621,196</u>	<u>\$ 13,299,411</u>	<u>\$ 11,548,677</u>

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

TOWNSHIP OF WINSLOW
WATER-SEWER UTILITY FUND

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

	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Operating Fund:					
Cash	\$ 1,080,495	\$ 1,462,477	\$ 942,127	\$ 462,546	\$ 519,473
Interfunds Receivable	2,133,171	1,408,098	1,984,857	617,600	1,383,515
Other Accounts Receivable		60,547	59,004		
Receivables with Full Reserves:					
Utility Rents	1,656,507	1,654,013	1,601,751	1,736,402	1,204,619
Utility Liens	44,560	74,013	25,636	31,422	26,278
Deferred Charges - Emergency Appropriation		55,000			
Total Operating Fund	4,914,733	4,714,148	4,613,375	2,847,970	3,133,885
Capital Fund:					
Cash	94,091	47,236	216,437	570,954	854,286
Interfunds Receivable					
NJ Environmental Infrastructure Trust Receivable		731,415	697,581	697,581	807,794
NJ Dept. of Environmental Protection Grant Rec.					
Fixed Capital	62,311,220	62,311,220	50,475,707	50,475,707	44,029,860
Fixed Capital Authorized and Uncompleted	7,274,912	6,174,912	18,092,888	17,242,888	23,435,651
Total Capital Fund	69,680,223	69,264,783	69,482,613	68,987,130	69,127,591
	<u>\$ 74,594,956</u>	<u>\$ 73,978,931</u>	<u>\$ 74,095,988</u>	<u>\$ 71,835,100</u>	<u>\$ 72,261,476</u>

(Continued)

TOWNSHIP OF WINSLOW
WATER-SEWER UTILITY FUND

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

	As of December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$ 16,561	\$ 55,771	\$ 19,305	\$ 35,379	\$ 57,212
Reserve for Encumbrances	203,953	325,588	580,349	525,840	470,804
Accrued Interest on Bonds, Loans and Notes	145,399	150,884	151,597	151,215	163,393
Utility Rent Overpayments	28,859	63,458	60,559	39,827	39,956
Reserve for Receivables	1,701,067	1,728,025	1,627,388	1,767,824	1,230,897
Fund Balance	2,818,894	2,390,422	2,174,177	327,885	1,171,623
Total Operating Fund	4,914,733	4,714,148	4,613,375	2,847,970	3,133,885
Capital Fund:					
Bonds Payable	11,824,200	8,857,096	10,351,449	11,769,357	13,187,963
Loans Payable	5,421,160	6,110,039	6,116,363	6,743,918	7,355,217
Bond Anticipation Note Payable	408,585	4,753,585	4,345,000	2,500,000	
Accounts Payable	2,437	2,437	2,437	2,437	2,437
Interfunds Payable	1,863,171	1,986,956	986,956	150,000	1,494,838
Improvement Authorizations:					
Funded	15,010		224,714	1,901	2,390,974
Unfunded	482,944	144,985	1,563,970	2,288,573	2,846,341
Capital Improvement Fund	8,514	8,514	8,514	8,514	8,514
Contracted Encumbrances	114,825	243,017	295,413	1,878,280	332,893
Reserves for:					
Amortization	49,475,855	47,109,080	33,632,657	31,587,194	27,057,290
Deferred Amortization			11,950,792	11,950,791	11,950,791
Spring Road Project					2,500,000
Fund Balance	63,522	49,074	4,348	106,165	333
Total Capital Fund	69,680,223	69,264,783	69,482,613	68,987,130	69,127,591
	<u>\$ 74,594,956</u>	<u>\$ 73,978,931</u>	<u>\$ 74,095,988</u>	<u>\$ 71,835,100</u>	<u>\$ 72,261,476</u>

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

TOWNSHIP OF WINSLOW
WATER-SEWER UTILITY FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue Realized:					
Fund Balance Utilized	\$ 860,000	\$ 500,000		\$ 900,000	\$ 1,100,000
Utility Rents	9,919,243	9,647,564	\$ 9,797,462	8,818,316	9,630,050
Miscellaneous	1,255,177	515,290	1,174,323	506,996	281,703
Other Credits to Income	31,217	77,288	117,329	75,351	252,240
Total Income	12,065,637	10,740,142	11,089,114	10,300,663	11,263,993
Expenditures:					
Operating	6,699,214	6,542,000	6,375,000	6,547,125	6,359,240
Debt Service	2,458,434	2,599,922	2,459,171	2,453,932	2,407,397
Statutory Expenditures	1,591,636	870,417	328,860	1,215,883	1,485,511
Other Expenditures	27,881	66,558	79,791	27,461	57,801
Total Expenditures	10,777,165	10,078,897	9,242,822	10,244,401	10,309,949
Excess in Revenues	1,288,472	661,245	1,846,292	56,262	954,044
Adjustment to Income before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year	-	55,000	-	-	-
Statutory Excess to Fund Balance	1,288,472	716,245	1,846,292	56,262	954,044
Fund Balance January 1	2,390,422	2,174,177	327,885	1,171,623	1,317,579
	3,678,894	2,890,422	2,174,177	1,227,885	2,271,623
Decreased by:					
Utilized as Revenue	860,000	500,000	-	900,000	1,100,000
Fund Balance December 31	\$ 2,818,894	\$ 2,390,422	\$ 2,174,177	\$ 327,885	\$ 1,171,623

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

TOWNSHIP OF WINSLOW
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Winslow was incorporated in 1692 and is located in southeast New Jersey approximately thirty miles southeast of the City of Philadelphia. The population according to the latest census is 39,499.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected to a four-year term. Members of the Township Committee are elected to four-year terms on a staggered basis. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Administrator and Township Clerk.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

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.

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

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

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

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

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

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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. 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.

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The 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.

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, Township of Winslow School District and Township of Winslow 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 Winslow School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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.

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the 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, 2016, the Township's bank balances of \$11,754,408.16 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,729,183.95
Uninsured and Uncollateralized	<u>25,224.21</u>
Total	<u>\$ 11,754,408.16</u>

Note 3: INVESTMENTS

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The Township has no investment policy that would further limit its investment choices.

Note 3: INVESTMENTS (CONT'D)

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit its exposure to custodial credit risk. Of the Township's \$10,754,799.19, recorded at cost, investments in treasury bonds and notes, Federal National Mortgage Association Bonds (FNMA) and Federal Home Loan securities, all are held by the counterparty, in the name of the Township.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy that would further limit its exposure to credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township's investment policies place no limit on the amount the Township may invest in any one issuer. Short-term investments represent 17.51% of the Township's total investments. All investments are reported in the Township's trust fund.

Fair Value Measurements of Investments - The Township categorizes its fair value disclosures within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Township has the following recurring fair value measurements as of December 31, 2016, all valued using quoted market prices (Level 1 inputs):

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Costs</u>	<u>Fair Value</u>
Federal Farm Credit Banks	1/17/2017	Moody's AAA	\$ 38,619.85	\$ 35,061.95
Federal Farm Credit Banks	1/17/2017	Moody's AAA	165,498.00	150,265.50
Federal Farm Credit Banks	4/24/2017	Moody's AAA	15,015.56	15,008.25
Federal Farm Credit Banks	4/24/2017	Moody's AAA	85,088.17	85,046.75
Federal Farm Credit Banks	5/11/2018	Moody's AAA	19,945.80	19,976.40
Federal Farm Credit Banks	5/11/2018	Moody's AAA	84,769.65	84,899.70
Federal Farm Credit Banks	4/1/2021	Moody's AAA	5,042.50	4,942.25
Federal Farm Credit Banks	4/1/2021	Moody's AAA	45,382.50	44,480.25

Note 3: INVESTMENTS (CONT'D)**Fair Value Measurements of Investments (Cont'd)**

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Costs</u>	<u>Fair Value</u>
Federal Home Loan Banks	5/24/2017	Moody's AAA	\$ 19,961.40	\$ 20,010.20
Federal Home Loan Banks	5/27/2017	Moody's AAA	79,845.60	80,040.80
Federal Home Loan Banks	5/30/2017	Moody's AAA	14,987.55	14,993.55
Federal Home Loan Banks	3/19/2018	Moody's AAA	19,993.80	19,967.80
Federal Home Loan Banks	3/19/2018	Moody's AAA	84,973.65	84,863.15
Federal Home Loan Banks	6/29/2018	S&P AA+	19,951.80	19,930.40
Federal Home Loan Banks	6/29/2018	S&P AA+	84,795.15	84,704.20
Federal Home Loan Banks	8/5/2019	Moody's AAA	14,971.20	14,787.75
Federal Home Loan Banks	8/5/2019	Moody's AAA	84,836.80	83,797.25
Federal Home Loan Banks	9/13/2019	Moody's AAA	15,261.90	15,140.25
Federal Home Loan Banks	9/13/2019	Moody's AAA	81,396.80	80,748.00
Federal Home Loan Banks	3/13/2020	Moody's AAA	15,496.88	16,166.85
Federal Home Loan Banks	3/13/2020	Moody's AAA	77,484.42	80,834.25
Federal Home Loan Banks	7/14/2021	Moody's AAA	19,901.40	19,305.20
Federal Home Loan Banks	7/14/2021	Moody's AAA	89,556.30	86,873.40
Federal Home Loan Banks	12/9/2022	Moody's AAA	14,741.43	14,752.50
Federal Home Loan Banks	12/9/2022	Moody's AAA	92,820.08	93,432.50
Federal Home Loan Banks	3/28/2023	Moody's AAA	15,084.35	14,846.85
Federal Home Loan Banks	3/28/2023	Moody's AAA	80,449.84	79,183.20
Federal Home Loan Banks	6/14/2024	Moody's AAA	79,631.20	82,237.60
Federal Home Loan Banks	6/14/2024	Moody's AAA	19,907.80	20,559.40
Federal Home Loan Banks	9/13/2024	Moody's AAA	45,438.48	46,374.30
Federal Home Loan Banks	9/13/2024	Moody's AAA	171,493.62	175,191.80
Federal Home Loan Banks	3/14/2025	Moody's AAA	14,941.20	14,712.15
Federal Home Loan Banks	3/14/2025	Moody's AAA	19,921.60	19,616.20
Federal Home Loan Mortgage Corp.	12/15/2017	S&P AA+	14,984.55	15,011.40
Federal Home Loan Mortgage Corp.	12/15/2017	S&P AA+	84,912.45	85,064.60
Federal Home Loan Mortgage Corp.	3/7/2018	Moody's AAA	84,813.00	84,889.50
Federal Home Loan Mortgage Corp. MTN	1/27/2017	S&P AA+	19,965.00	19,999.80
Federal Home Loan Mortgage Corp. MTN	1/27/2017	Moody's AAA	14,993.55	14,918.55
Federal Home Loan Mortgage Corp. MTN	1/27/2017	S&P AA+	89,842.50	89,999.10
Federal Home Loan Mortgage Corp. MTN	4/9/2018	S&P AA+	19,968.60	19,926.20
Federal Home Loan Mortgage Corp. MTN	4/9/2018	S&P AA+	84,866.55	84,686.35
Federal Home Loan Mortgage Corp. MTN	7/27/2018	Moody's AAA	14,991.42	14,926.50
Federal Home Loan Mortgage Corp. MTN	7/27/2018	Moody's AAA	84,951.40	84,583.50
Federal Home Loan Mortgage Corp. MTN	10/12/2018	Moody's AAA	89,961.30	89,511.30
Federal Home Loan Mortgage Corp. MTN	4/15/2019	Moody's AAA	14,995.05	14,939.25
Federal Home Loan Mortgage Corp. MTN	4/15/2019	Moody's AAA	84,971.95	84,655.75
Federal Home Loan Mortgage Corp. MTN	8/12/2021	Moody's AAA	14,923.80	14,441.40
Federal Home Loan Mortgage Corp. MTN	8/12/2021	Moody's AAA	84,568.20	81,834.60
FHLMC Multiclass Mtg Partner	11/25/2017	N/A	70,380.27	66,117.35
FHLMC Multiclass Mtg Partner	5/25/2018	N/A	46,205.99	45,071.43
FHLMC Multiclass Mtg Partner	9/25/2018	N/A	30,072.66	30,345.00
FHLMC Multiclass Mtg Partner	5/25/2019	N/A	49,753.91	50,247.00
FHLMC Multiclass Mtg Partner	3/25/2020	N/A	38,089.27	37,589.47
FICO Strips Ser E	5/2/2017	N/A	14,494.01	14,956.80
FICO Strips Ser E	5/2/2017	N/A	82,132.70	84,755.20

Note 3: INVESTMENTS (CONT'D)**Fair Value Measurements of Investments (Cont'd)**

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Costs</u>	<u>Fair Value</u>
Financing Corp.	2/8/2018	Moody's AAA	\$ 47,009.55	\$ 38,124.80
Financing Corp.	2/8/2018	Moody's AAA	13,431.30	10,892.80
FNMA Deb	8/28/2017	Moody's AAA	19,908.22	20,013.80
FNMA Deb	8/28/2017	Moody's AAA	84,609.93	85,058.65
FNMA Deb	9/20/2017	Moody's AAA	14,912.85	15,013.20
FNMA Deb	9/20/2017	Moody's AAA	79,535.20	80,070.40
FNMA Deb	5/21/2018	Moody's AAA	19,676.96	19,944.00
FNMA Deb	5/21/2018	Moody's AAA	83,627.08	84,762.00
FNMA Deb	10/19/2018	S&P AA+	84,862.30	84,895.45
FNMA Deb	10/19/2018	S&P AA+	14,975.70	14,981.55
FNMA Deb	2/26/2019	Moody's AAA	84,799.40	84,471.30
FNMA Deb	2/26/2019	Moody's AAA	14,964.60	14,906.70
FNMA Gtd REMIC Pass Thru	1/25/2017	N/A	14,367.11	14,375.94
FNMA MTN	9/27/2018	Moody's AAA	130,000.00	130,058.50
FNMA MTN	9/27/2018	Moody's AAA	25,000.00	25,011.25
FNMA MTN	10/9/2019	S&P AA-	39,388.41	42,673.50
FNMA MTN	10/9/2019	S&P AA-	8,752.98	9,483.00
FNMA MTN	10/24/2019	Moody's AAA	44,608.50	44,748.45
FNMA MTN	10/24/2019	Moody's AAA	14,869.50	14,916.15
FNMA Note	8/2/2019	Moody's AAA	14,974.80	14,791.65
FNMA Note	8/28/2019	Moody's AAA	14,976.60	14,833.35
FNMA Note	8/28/2019	Moody's AAA	109,828.40	108,777.90
FNMA Note	9/12/2019	Moody's AAA	19,887.40	20,190.00
FNMA Note	9/12/2019	Moody's AAA	84,521.45	85,807.50
FNMA Note	10/24/2019	Moody's AAA	69,812.40	69,032.60
FNMA Note	11/30/2020	Moody's AAA	84,857.20	83,819.35
FNMA Note	10/7/2021	Moody's AAA	14,974.80	14,593.05
FNMA Note	10/7/2021	Moody's AAA	84,857.20	82,693.95
FNMA Note	4/24/2026	Moody's AAA	39,753.28	37,827.60
FNMA Note	4/24/2026	Moody's AAA	173,932.16	165,495.75
Tennessee Valley Authority	7/18/2017	Moody's AAA	5,729.98	5,129.25
Tennessee Valley Authority	7/18/2017	Moody's AAA	17,189.93	15,387.75
Tennessee Valley Authority	12/15/2017	S&P AA+	6,220.45	5,247.15
Tennessee Valley Authority	12/15/2017	Moody's AAA	37,322.70	31,482.90
U. S. Treasury Bond	8/15/2017	Moody's AAA	79,925.00	62,981.40
U. S. Treasury Bond	8/15/2017	Moody's AAA	279,503.53	225,683.35
U. S. Treasury Bond	11/15/2018	Moody's AAA	58,662.11	45,789.20
U. S. Treasury Bond	11/15/2018	Moody's AAA	227,785.74	177,433.15
U. S. Treasury Bond	2/15/2019	Moody's AAA	27,234.38	23,234.40
U. S. Treasury Bond	2/15/2019	Moody's AAA	136,171.88	116,172.00
U. S. Treasury Bond	2/15/2020	Moody's AAA	21,030.47	18,189.90
U. S. Treasury Bond	2/15/2020	Moody's AAA	98,607.03	84,886.20
U. S. Treasury Bond	8/15/2021	Moody's AAA	28,982.81	25,471.20
U. S. Treasury Bond	8/15/2021	Moody's AAA	130,422.66	114,620.40
U. S. Treasury Bond	2/15/2022	N/A	16,651.20	17,978.80
U. S. Treasury Bond	2/15/2022	Moody's AAA	83,256.00	89,894.00
U. S. Treasury Bond	8/15/2022	Moody's AAA	13,604.69	12,755.10
U. S. Treasury Bond	8/15/2022	Moody's AAA	68,023.44	63,775.50
U. S. Treasury Bond	8/15/2023	Moody's AAA	6,567.97	6,250.40
U. S. Treasury Bond	8/15/2023	Moody's AAA	52,543.75	50,003.20

Note 3: INVESTMENTS (CONT'D)**Fair Value Measurements of Investments (Cont'd)**

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Costs</u>	<u>Fair Value</u>
U. S. Treasury Note	9/30/2017	Moody's AAA	\$ 4,958.59	\$ 4,992.95
U. S. Treasury Note	10/31/2017	Moody's AAA	5,116.21	5,041.80
U. S. Treasury Note	11/15/2017	Moody's AAA	131,928.71	128,613.75
U. S. Treasury Note	11/15/2017	Moody's AAA	62,900.98	61,734.60
U. S. Treasury Note	11/30/2017	Moody's AAA	26,095.70	25,306.75
U. S. Treasury Note	11/30/2017	Moody's AAA	83,506.25	80,981.60
U. S. Treasury Note	12/31/2017	Moody's AAA	39,731.25	39,934.40
U. S. Treasury Note	12/31/2017	Moody's AAA	79,462.50	79,868.80
U. S. Treasury Note	2/15/2018	Moody's AAA	27,466.60	25,701.25
U. S. Treasury Note	2/15/2018	Moody's AAA	88,533.20	87,384.25
U. S. Treasury Note	4/30/2018	Moody's AAA	9,744.92	9,951.20
U. S. Treasury Note	7/15/2018	Moody's AAA	9,915.23	9,968.00
U. S. Treasury Note	7/15/2018	Moody's AAA	39,660.94	39,872.00
U. S. Treasury Note	8/31/2018	Moody's AAA	14,935.55	15,093.75
U. S. Treasury Note	8/31/2018	Moody's AAA	99,570.31	100,625.00
U. S. Treasury Note	5/15/2019	Moody's AAA	94,685.55	99,048.90
U. S. Treasury Note	5/15/2019	Moody's AAA	344,681.65	370,130.10
U. S. Treasury Note	8/15/2019	Moody's AAA	5,033.59	5,292.95
U. S. Treasury Note	8/15/2019	Moody's AAA	120,823.05	127,030.80
U. S. Treasury Note	11/15/2019	Moody's AAA	14,441.60	15,825.60
U. S. Treasury Note	11/30/2019	Moody's AAA	14,749.22	14,819.55
U. S. Treasury Note	5/15/2020	Moody's AAA	7,235.15	6,169.90
U. S. Treasury Note	5/15/2020	Moody's AAA	77,869.93	79,719.75
U. S. Treasury Note	5/15/2020	Moody's AAA	50,646.09	43,189.30
U. S. Treasury Note	8/15/2020	Moody's AAA	39,167.19	41,359.20
U. S. Treasury Note	11/15/2020	Moody's AAA	29,239.85	31,007.70
U. S. Treasury Note	11/15/2020	Moody's AAA	108,869.14	113,694.90
U. S. Treasury Note	7/31/2021	Moody's AAA	9,948.44	9,666.40
U. S. Treasury Note	7/31/2021	Moody's AAA	54,716.41	53,165.20
U. S. Treasury Note	11/30/2021	Moody's AAA	24,807.62	24,932.75
U. S. Treasury Note	11/30/2021	Moody's AAA	109,153.52	109,704.10
U. S. Treasury Note	3/31/2022	Moody's AAA	24,909.38	24,667.00
U. S. Treasury Note	3/31/2022	Moody's AAA	104,496.88	103,601.40
U. S. Treasury Note	5/15/2022	Moody's AAA	38,579.89	39,412.40
U. S. Treasury Note	5/15/2022	Moody's AAA	62,863.08	64,045.15
U. S. Treasury Note	8/15/2022	Moody's AAA	24,963.87	24,380.75
U. S. Treasury Note	8/15/2022	Moody's AAA	39,942.19	39,009.20
U. S. Treasury Note	11/15/2022	Moody's AAA	39,015.62	38,928.00
U. S. Treasury Note	2/15/2023	Moody's AAA	24,360.35	24,794.00
U. S. Treasury Note	2/15/2023	Moody's AAA	97,753.90	99,176.00
U. S. Treasury Note	5/15/2023	Moody's AAA	31,938.47	34,089.30
U. S. Treasury Note	5/15/2023	Moody's AAA	164,758.40	175,316.40
U. S. Treasury Note	8/15/2023	Moody's AAA	34,278.12	35,620.55
U. S. Treasury Note	8/15/2023	Moody's AAA	166,415.43	173,014.10
U. S. Treasury Note	11/15/2023	Moody's AAA	20,158.98	20,659.40
U. S. Treasury Note	11/15/2023	Moody's AAA	150,346.88	154,945.50
U. S. Treasury Note	2/15/2024	Moody's AAA	10,130.47	10,328.10

Note 3: INVESTMENTS (CONT'D)**Fair Value Measurements of Investments (Cont'd)**

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Costs</u>	<u>Fair Value</u>
U. S. Treasury Note	2/15/2024	Moody's AAA	\$ 45,587.11	\$ 46,476.45
U. S. Treasury Note	5/15/2024	Moody's AAA	45,063.87	45,673.20
U. S. Treasury Note	5/15/2024	Moody's AAA	129,564.45	131,944.80
U. S. Treasury Note	8/15/2024	Moody's AAA	15,322.26	15,069.75
U. S. Treasury Note	8/15/2024	Moody's AAA	216,194.14	210,976.50
U. S. Treasury Note	11/15/2024	Moody's AAA	5,024.22	4,969.35
U. S. Treasury Note	11/15/2024	Moody's AAA	20,096.88	19,877.40
U. S. Treasury Note	2/15/2025	Moody's AAA	34,859.96	34,310.85
U. S. Treasury Note	2/15/2025	Moody's AAA	48,963.67	48,664.00
U. S. Treasury Note	2/15/2025	Moody's AAA	48,873.44	48,433.50
U. S. Treasury Note	2/15/2025	Moody's AAA	215,576.57	214,121.60
U. S. Treasury Note	5/15/2025	Moody's AAA	154,441.01	151,948.05
U. S. Treasury Note	8/15/2025	Moody's AAA	318,714.27	314,817.75
U. S. Treasury Note	11/15/2025	Moody's AAA	67,838.67	64,167.35
U. S. Treasury Note	11/15/2025	Moody's AAA	26,048.44	24,679.75
U. S. Treasury Note	2/15/2026	Moody's AAA	85,366.40	79,422.30
U. S. Treasury Note	2/15/2026	Moody's AAA	392,330.47	364,408.20
U. S. Treasury Note	5/15/2026	Moody's AAA	19,841.41	18,650.00
U. S. Treasury Note	5/15/2026	Moody's AAA	69,444.92	65,275.00
U. S. Treasury Note	8/15/2026	Moody's AAA	14,586.33	13,795.95
U. S. Treasury Note	8/15/2026	Moody's AAA	97,398.44	91,973.00
			<u>\$ 10,754,799.19</u>	<u>\$ 10,507,319.24</u>

Note 4: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 3.430</u>	<u>\$ 3.380</u>	<u>\$ 3.305</u>	<u>\$ 3.261</u>	<u>\$ 3.152</u>
Apportionment of Tax Rate:					
Municipal	\$.595	\$.580	\$.580	\$.567	\$.512
County	.892	.884	.834	.840	.828
Local School	1.805	1.782	1.759	1.721	1.684
Special District Rates:					
Fire District	.138	.134	.132	.133	.128

Note 4: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 2,646,066,940.00
2015	2,636,593,675.00
2014	2,627,503,750.00
2013	2,632,751,322.00
2012	2,641,494,842.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 91,070,616.37	\$ 87,994,094.56	96.62%
2015	89,380,376.93	86,239,920.55	96.49%
2014	87,096,482.56	84,265,998.42	96.75%
2013	86,034,908.85	82,926,290.72	96.39%
2012	83,776,904.54	79,949,971.93	95.43%

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>
2016	\$ 5,053,372.06	\$ 2,275,643.28	\$ 7,329,015.34	8.05%
2015	4,259,766.62	2,496,219.67	6,755,986.29	7.56%
2014	3,478,714.30	2,584,182.26	6,062,896.56	6.96%
2013	2,820,585.66	2,792,629.51	5,613,215.17	6.52%
2012	2,483,278.12	3,360,896.58	5,844,174.70	6.98%

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>
2016	531
2015	690
2014	442
2013	393
2012	351

Note 5: 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>
2016	\$ 2,193,800.00
2015	183,200.00
2014	3,162,730.00
2013	3,162,730.00
2012	3,162,730.00

Note 6: WATER-SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2016	\$ 1,654,012.62	\$ 74,012.87	\$ 10,111,649.72	\$ 11,839,675.21	\$ 9,961,677.14
2015	1,601,751.49	25,636.39	9,940,120.81	11,567,508.69	9,653,524.18
2014	1,736,402.20	31,422.31	9,666,779.67	11,434,604.18	9,798,153.43
2013	1,204,619.18	26,277.73	9,449,490.79	10,680,387.70	8,822,956.39
2012	1,241,295.05	28,673.04	9,752,094.78	11,022,062.87	9,641,350.95

Note 7: 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>
2016	\$ 3,786,988.53	\$ 2,245,000.00	59.28%
2015	2,395,825.93	1,455,000.00	60.73%
2014	3,169,717.32	1,333,446.00	42.07%
2013	3,530,988.63	1,290,967.00	36.56%
2012	1,281,185.96	496,034.00	38.72%

Water-Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 2,818,894.04	\$ 600,000.00	21.28%
2015	2,390,422.16	860,000.00	35.98%
2014	2,174,177.39	500,000.00	23.00%
2013	327,884.78	-	-
2012	1,171,622.64	900,000.00	76.82%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 517,169.09	\$ 58,583.80
Federal and State Grant	219,765.18	845,863.11
Trust - Animal Control		25,000.00
Trust - Other	278,096.65	
General Capital		355,584.01
Water-Sewer Utility - Operating	2,133,171.16	
Water-Sewer Utility - Capital		1,863,171.16
	<u>\$ 3,148,202.08</u>	<u>\$ 3,148,202.08</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 2017, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

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

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

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

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

Note 9: 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 and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 9: 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 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 12.43% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 9: 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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$707,397.00, and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$702,441.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$417,153.21.

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 non-employer 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, 2016 was 25.47% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$1,812,672.00, and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$1,723,682.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$718,144.30.

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, 2016 was 1.92% of the Township's covered payroll.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 is \$136,652.00, and is payable by April 1, 2017. Based on the 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 was \$161,242.00, which was paid on April 1, 2016.

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, 2016, employee contributions totaled \$3,433.08, and the Township's contributions were \$1,872.68. 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, 2016, the Township's proportionate share of the PERS net pension liability was \$23,583,304.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.0796272370%, which was a decrease of 0.0020774291% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$2,277,639.00. 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, 2016, the Township's contribution to PERS was \$707,397.00, and was paid on April 1, 2016.

Police and Firemen's Retirement System - At December 31, 2016, 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	\$ 42,468,966.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	3,566,340.00
	<u>\$ 46,035,306.00</u>

Note 9: 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Township's proportion was 0.2223208332%, which was an increase of 0.0102669229% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was 0.2223208332%, which was an increase of 0.0102669229% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$5,059,825.00. 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, 2016, the Township's contribution to PFRS was \$1,812,672.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is \$3,566,340.00. 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, 2016, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 438,578.00	\$ -	\$ 438,578.00	\$ -	\$ 278,390.00	\$ 278,390.00
Changes of Assumptions	4,885,201.00	5,882,301.00	10,767,502.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	899,253.00	2,975,715.00	3,874,968.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	752,125.00	2,021,652.00	2,773,777.00	779,255.00	-	779,255.00
Township Contributions Subsequent to the Measurement Date	353,699.00	906,336.00	1,260,035.00	-	-	-
	<u>\$ 7,328,856.00</u>	<u>\$ 11,786,004.00</u>	<u>\$ 19,114,860.00</u>	<u>\$ 779,255.00</u>	<u>\$ 278,390.00</u>	<u>\$ 1,057,645.00</u>

Note 9: 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) - Deferred outflows of resources totaling \$353,699.00 and \$906,336.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2017.

These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Township's year end of December 31, 2016. 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 9: 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>
2017	\$ 1,427,150.00	\$ 2,569,539.00	\$ 3,996,689.00
2018	1,427,150.00	2,569,539.00	3,996,689.00
2019	1,649,265.00	3,282,996.00	4,932,261.00
2020	1,300,528.00	1,961,086.00	3,261,614.00
2021	391,809.00	218,118.00	609,927.00
	<u>\$ 6,195,902.00</u>	<u>\$ 10,601,278.00</u>	<u>\$ 16,797,180.00</u>

Actuarial Assumptions

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

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

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

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

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

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

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

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

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

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	PERS		
	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 28,898,586.00</u>	<u>\$ 23,583,304.00</u>	<u>\$ 19,195,077.00</u>

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

	PFRS		
	1% Decrease <u>(4.55%)</u>	Current Discount Rate <u>(5.55%)</u>	1% Increase <u>(6.55%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 54,760,618.00	\$ 42,468,966.00	\$ 32,445,863.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>4,598,533.93</u>	<u>3,566,340.00</u>	<u>2,724,647.94</u>
	<u>\$ 59,359,151.93</u>	<u>\$ 46,035,306.00</u>	<u>\$ 35,170,510.94</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0796272370%	0.0817046661%	0.0852249262%	0.0778575849%
Township's Proportionate Share of the Net Pension Liability	\$ 23,583,304.00	\$ 18,341,060.00	\$ 15,956,437.00	\$ 14,880,131.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,408,724.00	\$ 5,588,832.00	\$ 5,790,784.00	\$ 5,396,916.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	436.02%	328.17%	275.55%	275.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 707,397.00	\$ 702,441.00	\$ 702,582.00	\$ 586,641.00
Township's Contribution in Relation to the Contractually Required Contribution	(707,397.00)	(702,441.00)	(702,582.00)	(586,641.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 5,693,315.00	\$ 5,446,289.00	\$ 5,611,263.00	\$ 5,668,469.00
Township's Contributions as a Percentage of its Covered Payroll	12.43%	12.90%	12.52%	10.35%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.2223208332%	0.2120539103%	0.2094126777%	0.2004105811%
Township's Proportionate Share of the Net Pension Liability	\$ 42,468,966.00	\$ 35,320,790.00	\$ 26,342,173.00	\$ 26,642,778.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,566,340.00	3,097,515.00	2,836,609.00	2,483,431.00
Total	<u>\$ 46,035,306.00</u>	<u>\$ 38,418,305.00</u>	<u>\$ 29,178,782.00</u>	<u>\$ 29,126,209.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 7,071,016.00	\$ 6,727,988.00	\$ 6,511,364.00	\$ 6,208,660.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	600.61%	524.98%	404.56%	429.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 1,812,672.00	\$ 1,723,682.00	\$ 1,608,434.00	\$ 1,462,151.00
Township's Contribution in Relation to the Contractually Required Contribution	(1,812,672.00)	(1,723,682.00)	(1,608,434.00)	(1,462,151.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 7,116,013.00	\$ 7,038,120.00	\$ 6,738,213.00	\$ 6,428,328.00
Township's Contributions as a Percentage of its Covered Payroll	25.47%	24.49%	23.87%	22.75%

Note 9: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township's defined benefit postemployment plan (the "Township Plan"), provides eligible employees and their eligible dependents with medical, prescription and dental benefits until the employee or spouse reaches Medicare age. The Township pays sixty five percent of the premiums until Medicare age is attained. Once Medicare age is attained, the Township pays full coverage for supplemental medical coverage to Medicare and pays for full coverage of the prescription and dental plans.

An employee is eligible upon retirement provided they have completed twenty five years of public employment. Additionally, union employees covered by agreement between the Township of Winslow and Camden County Council No. 10 N.J.C.A. are eligible for benefits upon retirement provided they have completed twenty years of public employment and are at least sixty two years old; benefits for these union employees will cease once Medicare age is attained.

The Township plan does not issue a separate financial report.

Funding Policy - The contribution requirements of plan members and the Township are established by policy of the Township Committee. The Committee may amend its policy, subject to contract inclusion, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, 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, 2016, 2015 and 2014 were \$2,198,786.88, \$1,977,036.00, and \$1,418,523.20, respectively.

Note 10: 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 \$3,895,168.00 at an unfunded discount rate of 5.0%. As stated above, the Township has funded the cost of existing retirees in the amount of \$2,198,786.88, 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, 2016, the Township's annual OPEB cost (expense) of \$3,668,446.13 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 2016, 2015, and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 3,895,168.00	\$ 3,895,168.00	\$ 3,895,168.00
Interest on the Net OPEB Obligation	948,329.44	862,735.75	747,846.16
Adjustment to the ARC	<u>(1,175,051.31)</u>	<u>(1,068,994.33)</u>	<u>(926,699.08)</u>
Annual OPEB Cost	3,668,446.13	3,688,909.42	3,716,315.08
Pay-as-You Go Cost (Existing Retirees)	<u>(2,198,786.88)</u>	<u>(1,977,036.00)</u>	<u>(1,418,523.20)</u>
Increase (Decrease) in the Net OPEB Obligation	1,469,659.25	1,711,873.42	2,297,791.88
Net OPEB Obligation, January 1	<u>18,966,588.51</u>	<u>17,254,715.09</u>	<u>14,956,923.21</u>
Net OPEB Obligation, December 31	<u>\$ 20,436,247.76</u>	<u>\$ 18,966,588.51</u>	<u>\$ 17,254,715.09</u>
Percentage of Annual OPEB Cost Contributed	59.9%	53.6%	38.2%

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>2011</u>	<u>2008</u>
Actuarial Accrued Liability (AAL)	\$ 43,962,003.00	\$ 33,656,766.00	\$ 32,532,927.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 43,962,003.00</u>	<u>\$ 33,656,766.00</u>	<u>\$ 32,532,927.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 19,931,131.00	\$ 17,797,129.00	\$ 20,547,633.00
UAAL as a Percentage of Covered Payroll	220.6%	189.1%	158.3%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funded Status and Funding Progress (Cont'd)**

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 benefits.

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* 1994 sex distinct Group Annuity Mortality Table.
- *Turnover.* U.S. Office of Personnel Management.
- *Assumed Retirement Age.* At first eligibility after age 55.
- *Disability.* Retirees resulting from a disability factored into determination of age at retirement.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 5.5% compounded annually for GASB 45 purposes.
- *Spousal Coverage.* All married employees will remain married.
- *Health Care Cost Inflation.* Gross costs will increase at an annual rate of 7% for pre-medicare medical benefits and 5% for post-medicare medical benefits.
- *Administration Expenses.* Annual cost of retiree claims will be approximately 2%.
- *Final Average Salary.* Age 55 and over is \$53,500.00.

Note 11: COMPENSATED ABSENCES

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

The Township of Winslow compensates employees for unused sick leave upon termination or retirement. The current policy provides that employees may sell their sick time accumulated from January 1, 1987, forward for fifty percent (50%) of its value, to a maximum of twenty thousand dollars (\$20,000.00). The policy for police personnel provides that employees may sell their sick time accumulated from January 1, 1987, forward for seventy-five (75%) of its value, to a maximum of twenty thousand dollars (\$20,000.00).

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$3,065,821.31.

Note 12: 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 13: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township of Winslow previously operated a municipal landfill located in the southern part of 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.

At December 31, 2016, it is estimated that the landfill has reached 60% of its holding capacity. However, the escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

Note 14: LEASE OBLIGATIONS

At December 31, 2016, the Township had lease agreements in effect for the following:

Operating:
Twelve (12) Photocopiers

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

<u>Year</u>	<u>Amount</u>
2017	\$ 13,664.64
2018	13,664.64
2019	13,664.64

Rental payments under operating leases for the year 2016 were \$12,642.79.

Note 15: CAPITAL DEBT

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

Summary of Debt

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 10,185,910.97	\$ 11,375,948.40	\$ 10,134,358.52
Water - Sewer Utility:			
Bonds, Loans and Notes	17,653,945.07	19,720,719.97	20,812,811.96
Total Issued	27,839,856.04	31,096,668.37	30,947,170.48
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	405,810.00	237,810.00	975.00
Water - Sewer Utility:			
Bonds, Loans and Notes	2,881,331.75	1,781,331.75	2,921,331.75
Total Authorized but not Issued	3,287,141.75	2,019,141.75	2,922,306.75
Total Issued and Authorized but not Issued	31,126,997.79	33,115,810.12	33,869,477.23
<u>Deductions</u>			
Water - Sewer Utility:			
Self-Liquidating	20,535,276.82	21,502,051.72	23,734,143.71
Net Debt	<u>\$ 10,591,720.97</u>	<u>\$ 11,613,758.40</u>	<u>\$ 10,135,333.52</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 .40%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 8,175,000.00	\$ 8,175,000.00	
Self-Liquidating	20,535,276.82	20,535,276.82	
General	10,591,720.97		\$ 10,591,720.97
	<u>\$ 39,301,997.79</u>	<u>\$ 28,710,276.82</u>	<u>\$ 10,591,720.97</u>

Net debt \$10,591,720.97 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$2,269,217,732.00, equals .40%.

Note 15: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	92,022,620.62
Less: Net Debt		<u>10,591,720.97</u>
Remaining Borrowing Power	\$	<u>81,430,899.65</u>

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

Cash Receipts from Fees, Rents, Fund Balance		
Anticipated, Interest and Other Investment		
Income, and Other Charges for the Year	\$	12,034,420.17
Deductions:		
Operating and Maintenance Costs	\$	8,290,850.00
Debt Service		<u>2,457,215.73</u>
Total Deductions		<u>10,748,065.73</u>
Excess in Revenue	\$	<u>1,286,354.44</u>

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

General Debt – General Obligation Bonds, Green Acres Trust Loans, Pinelands Loans and New Jersey Environmental Infrastructure Trust Loans

The Township's issued numerous General Obligation Bonds, Green Acres Trust Loans and Pinelands Loans with interest rates ranging from 2.00% to 5.00%. The Township has also issued five New Jersey Environmental Infrastructure Trust Loans that included no interest loans and loans with interest rates ranging from 1.080% to 5.79%. The purpose of the bonds and loans was to fund various capital projects within the Township. The proceeds from the New Jersey Environmental Infrastructure Trust Loans were used to fund numerous Township's water and sewer utility system projects.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**General Debt**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,536,257.02	\$ 165,911.81	\$ 1,702,168.83
2018	1,557,656.12	117,508.71	1,675,164.83
2019	570,402.46	83,575.03	653,977.49
2020	665,712.05	73,125.44	738,837.49
2021	666,027.87	63,059.63	729,087.50
2022-2026	2,620,105.16	133,114.65	2,753,219.81
2027-2029	33,335.29	1,176.41	34,511.70
	<u>\$ 7,649,495.97</u>	<u>\$ 637,471.68</u>	<u>\$ 8,286,967.65</u>

Note 15: CAPITAL DEBT (CONT'D)**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Cont'd)****Water-Sewer Utility Debt**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,135,076.51	\$ 450,676.37	\$ 2,585,752.88
2018	2,168,843.82	386,039.88	2,554,883.70
2019	2,081,178.07	318,485.02	2,399,663.09
2020	1,824,720.44	260,715.02	2,085,435.46
2021	1,491,903.11	211,677.52	1,703,580.63
2022-2026	4,923,506.71	542,820.05	5,466,326.76
2027-2031	2,250,254.41	161,333.80	2,411,588.21
2032-2034	369,877.00	8,606.26	378,483.26
	<u>\$ 17,245,360.07</u>	<u>\$ 2,340,353.92</u>	<u>\$ 19,585,713.99</u>

Note 16: RISK MANAGEMENT

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

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles Liability and Damage

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

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

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

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

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Camden County Municipal Joint Insurance Fund
 9 Campus Drive, Suite 216
 Parsippany, New Jersey 07054

Note 16: RISK MANAGEMENT (CONT'D)

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

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

<u>Year</u>	<u>Township/ Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 17,366.97	\$ -	\$ 30,565.40
2015	16,531.12	33,206.71	13,198.43
2014	66,405.93	70,571.23	29,874.02

Self-Insurance Plan - The Township is self-insured for employee medical, prescription and dental insurance and maintains a Reserve for Health Benefits Claims in the Trust -- Other Fund to account for and finance its related uninsured risks of loss. The plan is administered by AtlantiCare. The Township purchases commercial insurance for medical claims in excess of \$35,000.00 per employee.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the 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 18: 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 19: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2016, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds may be material.

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		
Acquisition of Nine Police Vehicles, Repaving and/or Reconstruction of Various Township Roads and Parking Lots, Acquisition of Office Equipment, Acquisition of Public Works, Code Enforcement and Construction Vehicles, Improvements to Public Works Building, Acquisition of Bulletproof Vests and Fingerprint Machine, Acquisition of Public Works Equipment, Acquisition of Computers and Acquisition and Installation of Air Compressors	04/11/17	\$ 1,662,500.00

APPENDIX C

FORM OF BOND COUNSEL'S OPINION



June __, 2018

Mayor and Township Committee
of the Township of Winslow
125 South Route 73
Braddock, New Jersey

**RE: \$9,981,000 TOWNSHIP OF WINSLOW, COUNTY OF CAMDEN, NEW
JERSEY, GENERAL OBLIGATION BONDS, SERIES 2018**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds") by the Township of Winslow, County of Camden, New Jersey ("Township"). The Bonds consist of: (i) \$6,164,000 General Improvement Bonds; and (ii) \$3,817,000 Water/Sewer Utility Bonds.

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) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Mayor and Township Committee and published in accordance with applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Mayor and Township Committee on May 8, 2018 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2018 ("Award Certificate").

The Bonds are dated June 5, 2018, mature on February 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum below, payable semiannually on February 1 and August 1 in each year, commencing February 1, 2019, until maturity or earlier redemption.

<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Combined</u>	<u>Interest Rate</u>	<u>Year</u>	<u>General Improvement</u>	<u>Water/Sewer Utility</u>	<u>Combined</u>	<u>Interest Rate</u>
2019	\$499,000	\$127,000	\$626,000	%	2027	\$635,000	\$250,000	\$885,000	%
2020	450,000	250,000	700,000		2028	650,000	250,000	900,000	
2021	470,000	250,000	720,000		2029	675,000	240,000	915,000	
2022	500,000	250,000	750,000		2030	0	240,000	240,000	
2023	515,000	250,000	765,000		2031	0	240,000	240,000	
2024	535,000	250,000	785,000		2032	0	240,000	240,000	
2025	610,000	250,000	860,000		2033	0	240,000	240,000	
2026	625,000	250,000	875,000		2034	0	240,000	240,000	

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

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the cost of various capital improvements by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the cost of various capital improvements for obligations which have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

As the basis for the opinions 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 previously amended, and as further amended pursuant to Public Law 115-97 ("Tax Cuts and Jobs Act"), signed into law on December 22, 2017 (as amended, the "Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Resolution, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate") and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Bonds.

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

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

1. The Bonds are legal, valid and binding obligations of the 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").

2. 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 Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Bonds will not be includible for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals and, for tax years beginning prior to January 1, 2018, corporations.

For tax years beginning on and after January 1, 2018, the Tax Cuts and Jobs Act has repealed the alternative minimum tax for corporations. However, for tax years beginning prior to January 1, 2018, 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). For certain corporations with tax years beginning prior to January 1, 2018, interest on tax-exempt obligations, including the Bonds, is not excludable in calculating "adjusted current earnings" of those corporations. Accordingly, a portion of the interest on the Bonds received or accrued by corporations with tax years beginning prior to January 1, 2018 that own the Bonds is included in computing such corporation's alternative minimum taxable income for such year.

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

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

In rendering this opinion, we have assumed continuing compliance by the Township 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 from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Bonds.

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

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

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

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

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

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

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

This letter is being provided solely for the benefit of the 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

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of June, 2018 between the Township of Winslow, County of Camden, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2018, in the principal amount of \$9,981,000 ("Bonds"). The Bonds consist of: (i) \$6,164,000 General Improvement Bonds; and (ii) \$3,817,000 Water/Sewer Utility Bonds.

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

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

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

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

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

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Official Statement" shall mean the Official Statement of the Township dated May __, 2018 relating to the Bonds.

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

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

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than September 30 of each year, beginning with September 30, 2018 for fiscal year ending December 31, 2017, and for each fiscal year until termination of the Township'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 Township (commencing for the fiscal year ending December 31, 2017). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Township 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 Township 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 Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the Township) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

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

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

(c) If the Dissemination Agent has been instructed by the Township 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 Township.

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

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an

Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

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

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

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Township:

Township of Winslow, County of Camden, New Jersey
125 South Route 73
Braddock, New Jersey 08037
Attention: Stephen J. Dringus, Jr., Chief Financial Officer

- (ii) If to the Dissemination Agent:

Phoenix Advisors LLC
4 West Park Street
Bordentown, New Jersey 08505

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

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

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

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

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

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

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

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

TOWNSHIP OF WINSLOW, NEW JERSEY

By: _____
STEPHEN J. DRINGUS, JR.,
Chief Financial Officer

PHOENIX ADVISORS LLC,
as Dissemination Agent

By: _____
ANTHONY INVERSO,
Senior Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Winslow, County of Camden, New Jersey

Name of Bond Issues Affected: \$9,981,000 General Obligation Bonds, Series 2018

Date of Issuance of the Affected
Bond Issue: June __, 2018

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated June __, 2018, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

PHOENIX ADVISORS LLC,
as Dissemination Agent

cc: Township of Winslow, New Jersey