

## NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: See “RATINGS” herein

*In the opinion of Bond Counsel, based on certifications of the Commission and the Borrowers and assuming continuing compliance with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Series 2017A Bonds (as herein defined), interest received by a holder of the Series 2017A Bonds will be excludable from gross income for federal income tax purposes, and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax imposed on individuals and corporations. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Series 2017A Bonds, interest on the Series 2017A Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.*

**BURLINGTON COUNTY BRIDGE COMMISSION**  
(Burlington County, New Jersey)

**\$19,160,000\***

**County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A**

**Dated: Date of Delivery**

**Due: As shown on the inside front cover**

The \$19,160,000\* County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A (the “Series 2017A Bonds”) will be issued by the Burlington County Bridge Commission (the “Commission”) as fully registered bonds and, when issued, will be registered in the name of Cede & Co. (“Cede”), as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearing house transactions, which will act as securities depository for the Series 2017A Bonds. Individual purchases will be made in book-entry form (without certificates) in the principal amount of \$5,000 or any integral multiple thereof.

The Series 2017A Bonds will be dated the date of delivery and will bear interest from that date, payable semi-annually on February 15 and August 15 in each year, commencing August 15, 2017, until the Commission’s obligations with respect to the payment of the Series 2017A Bonds are discharged. The principal or redemption price of the Series 2017A Bonds will be payable upon presentation or surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as trustee and paying agent to the Commission (the “Trustee” and “Paying Agent”) for the Series 2017A Bonds. Interest on the Series 2017A Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding February 1 and August 1 (the “Record Dates”). Interest on the Series 2017A Bonds is payable by check or draft of the Trustee mailed to the registered owner of the Series 2017A Bonds, as described herein. Provided DTC or its nominee, Cede, is the registered owner of the Series 2017A Bonds, payments of the principal or redemption price of and interest on the Series 2017A Bonds will be made directly to DTC or its nominee, which is obligated to remit such principal or redemption price and interest to Direct Participants (as defined herein). Direct Participants and Indirect Participants (as defined herein) will be responsible for remitting such payments to the Beneficial Owners of the Series 2017A Bonds. See “DESCRIPTION OF THE SERIES 2017A BONDS – The DTC Book-Entry-Only System” herein.

The Series 2017A Bonds are subject to redemption prior to maturity as more particularly described under the caption “DESCRIPTION OF THE SERIES 2017A BONDS – Redemption Prior to Maturity” herein.

The Series 2017A Bonds are being issued pursuant to: (i) the resolution of the Commission entitled “Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017” adopted on December 13, 2016 (as the same may be amended or supplemented from time to time, the “Bond Resolution”); (ii) a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising powers delegated by the Bond Resolution (the “Series Certificate” and, together with the Bond Resolution, the “Resolution”); and (iii) the Self-Liquidating Bridges Act (N.J.S.A. 27:19-26 *et seq.*), as amended and supplemented (the “Act”).

The proceeds of the Series 2017A Bonds will be used to: (i)(a) refund on a current basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2005 (the “Callable 2005 Bonds”) originally issued in the principal amount of \$12,185,000 and used to make a loan to the Township of Evesham (“Evesham” or the “2005 Borrower”), (b) refund on a current basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006 (the “Callable 2006 Bonds”) originally issued in the principal amount of \$22,565,000 and used to make loans to the City of Bordentown (“Bordentown”), the Township of Medford (“Medford”) and the Township of Maple Shade (“Maple Shade” and together with Bordentown and Medford, the “2006 Borrowers”), (c) refund on an advanced basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2007 (the “Callable 2007 Bonds”) originally issued in the principal amount of \$4,595,000 and used to make a loan to the Township of Riverside (“Riverside” or the “2007 Borrower”), and (d) refund on an advanced basis, all or a portion of the Commission’s outstanding \$18,950,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2009 (the “Callable 2009 Bonds”) originally issued in the principal amount of \$18,950,000 and used to make loans to Evesham, the Township of Cinnaminson (“Cinnaminson”) and the Township of Delran (“Delran” and together with Evesham and Cinnaminson, the “2009 Borrowers”; and the 2009 Borrowers together with the 2005 Borrower, the 2006 Borrowers and the 2007 Borrower, shall be known as the “Borrowers”), and (ii) pay certain of the costs of issuance of the Series 2017A Bonds and the Borrower Bonds (as hereinafter defined) securing the respective repayment obligations of the Borrowers.

The Series 2017A Bonds will be payable from and are secured by payments made pursuant to general obligation bonds of each of the Borrowers (each a “Borrower Bond” and collectively, the “Borrower Bonds”). The Borrower Bonds will be sold to the Commission pursuant to separate Bond Purchase Agreements entered into between the Commission and each of the Borrowers. The Borrower Bonds shall be direct and general obligations of each of the Borrowers. Each respective Borrower Bond is a valid and legally binding obligation of the applicable Borrower, and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all the taxable real property within the jurisdiction of such Borrower, without limitation as to rate or amount. See “SECURITY FOR THE SERIES 2017A BONDS – Loans and General Obligations of the Borrowers; Opinion of Counsel” herein.

The Series 2017A Bonds are further secured by the unconditional guaranty of the County of Burlington, New Jersey (the “County”) to pay, when due, the principal of and interest on the Series 2017A Bonds (the “County Guaranty”). The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County, without limitation as to rate or amount for the payment of its obligations under the County Guaranty.

THE SERIES 2017A BONDS SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT TO THE EXTENT ANY BORROWER IS OBLIGATED TO MAKE PAYMENTS PURSUANT TO ITS RESPECTIVE BORROWER BOND), OTHER THAN THE COMMISSION AND, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY, THE COUNTY, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT TO THE EXTENT ANY BORROWER IS OBLIGATED TO MAKE PAYMENTS PURSUANT TO ITS RESPECTIVE BORROWER BOND), OTHER THAN THE COMMISSION AND, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY, THE COUNTY.

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

The Series 2017A Bonds are offered when, as and if issued and delivered to the Underwriter subject to prior sale, withdrawal or modification of the offer without any notice, and to the unqualified approval of legality by Capehart Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission. Certain legal matters will be passed upon for the Underwriter by its counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey; for the Commission by its Solicitor, Anthony T. Drollas, Jr., Esquire, Capehart Scatchard, P.A., Trenton, New Jersey; and for the County by Parker McCay P.A., Mount Laurel, New Jersey, County Bond Counsel, and by Kendall J. Collins, Esquire, County Solicitor. It is expected that the Series 2017A Bonds will be available for delivery to DTC in New York, New York on or about March \_\_, 2017.

**RAYMOND JAMES**

Dated: March \_\_, 2017

\* Preliminary, subject to change.

This is a Preliminary Official Statement and the information contained herein is subject to completion and amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

**BURLINGTON COUNTY BRIDGE COMMISSION**  
**(Burlington County, New Jersey)**

**\$19,160,000\***

**County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A**

**MATURITY SCHEDULE**

<b><u>Maturity</u> <u>Date</u></b>	<b><u>Principal</u>*</b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP</u>**</b>
August 15, 2017		\$		
August 15, 2018				
August 15, 2019				
February 15, 2020				
August 15, 2020				
August 15, 2021				
August 15, 2022				
August 15, 2023				
August 15, 2024				
August 15, 2025				
February 15, 2026				
August 15, 2026				

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Series 2017A Bonds Due August 15, 2029, priced to Yield \_\_\_\_\_ CUSIP Number \_\_\_\_\_ \*\*

\* Preliminary, subject to change.

\*\* Registered trademark of American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2017A Bonds and the Commission does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Series 2017A Bonds is subject to being changed after the issuance of such Series 2017A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2017A Bonds.

**BURLINGTON COUNTY BRIDGE COMMISSION**  
**1300 Route 73 North**  
**Palmyra, New Jersey 08065**

**COMMISSIONERS**

John B. Comegno, II, Chairman  
James D. Fattorini, Vice Chairman  
Troy E. Singleton, Commissioner

**EXECUTIVE DIRECTOR**

John D. Jeffers

**SOLICITOR**

Anthony T. Drollas, Jr., Esquire  
Capehart Scatchard, P.A.  
Trenton, New Jersey

**BOND COUNSEL**

Capehart Scatchard, P.A.  
Trenton, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

**FINANCIAL ADVISOR**

Acacia Financial Group, Inc.  
Marlton, New Jersey

**COUNTY OF BURLINGTON, NEW JERSEY**  
**49 Rancocas Road**  
**Mount Holly, New Jersey 08060-6000**

**BOARD OF CHOSEN FREEHOLDERS**

Bruce Garganio, Director  
Kate Gibbs, Deputy Director  
Linda Hughes, Freeholder  
Latham Tiver, Freeholder  
Ryan Peters, Freeholder

**COUNTY OFFICIALS**

Eve A. Cullinan, County Administrator  
Gina Wheatley, Clerk of the Board  
Edward J. Troy, Treasurer  
Marc Krassan, Chief Financial Officer  
Kendall J. Collins, Esquire, County Solicitor

**COUNTY BOND COUNSEL**

Parker McCay P.A.  
Mount Laurel, New Jersey

**INDEPENDENT AUDITOR**

Bowman & Company LLP  
Voorhees, New Jersey

The information which is set forth herein has been provided by the Burlington County Bridge Commission (the "Commission"), The Depository Trust Company, New York, New York ("DTC") and by other sources which are believed to be reliable by the Commission, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Commission. Certain general and financial information concerning the County of Burlington, New Jersey (the "County") is contained in Appendices A and B to this Official Statement. Such information has been furnished by the County. Certain financial, economic and demographic information concerning the Township of Cinnaminson, City of Bordentown, Township of Evesham, Township of Riverside, Township of Maple Shade and the Township of Delran, each in the County (each an "Obligated Borrower" and together with the County, the "Obligated Borrowers"), is contained in Appendix C, to this Official Statement. Such information has been furnished by each Obligated Borrower. The Commission has not confirmed the accuracy or completeness of information relating to the Obligated Borrowers and disclaims any responsibility for the accuracy or completeness thereof. Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to. This Official Statement is submitted in connection with the sale of the Series 2017A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or any other person has been authorized by the Commission, the County, the other Obligated Borrowers, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2017A Bonds; and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2017A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or the County or the other Obligated Borrowers since the date hereof or the date as of which particular information is given, if earlier.

Upon issuance, the Series 2017A 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 Exchange Commission, nor any other federal, state, municipal or other governmental entity, other than the Commission (subject to the limitations set forth above), will have passed upon the accuracy or adequacy of this Official Statement.

This Official Statement includes the cover page and the Appendices attached hereto. The Underwriter has been authorized by the Commission to imprint the offering prices and yields and the name of the respective Series of the Series 2017A Bonds on the cover page and the inside front cover page, together with the interest rates per annum for the various maturities of each Series of the Series 2017A Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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  
OF  
BURLINGTON COUNTY BRIDGE COMMISSION  
(Burlington County, New Jersey)**

**\$19,160,000\*  
County-Guaranteed Pooled Loan Revenue Refunding Bonds  
(Governmental Loan Program), Series 2017A**

**INTRODUCTION**

This Official Statement, including the cover page, footnotes, Appendices and material included herein by reference, is provided to furnish certain information in connection with the issuance and sale of \$19,160,000\* County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A (the “Series 2017A Bonds”) of the Burlington County Bridge Commission (the “Commission”), a public body corporate and politic existing under and by virtue of the laws of the State of New Jersey (the “State”), and, in particular, the Self-Liquidating Bridges Act (*N.J.S.A. 27:19-26 et seq.*), as amended and supplemented (the “Act”). This Official Statement should be read in its entirety.

The Series 2017A Bonds are being issued pursuant to: (i) the resolution of the Commission entitled “Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017” adopted on December 13, 2016 (as the same may be amended or supplemented from time to time, the “Bond Resolution”); (ii) a certificate of the Executive Director of the Commission, dated the date of this Official Statement, exercising powers delegated by the Bond Resolution (the “Series Certificate” and, together with the Bond Resolution, the “Resolution”); and (iii) the Act.

The proceeds of the Series 2017A Bonds will be used to: (i)(a) refund on a current basis, a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2005 (the “Callable 2005 Bonds”) originally issued in the principal amount of \$12,185,000, a portion of which was used to make a loan to the Township of Evesham (“Evesham” or the “2005 Borrower”), (b) refund on a current basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006 (the “Callable 2006 Bonds”) originally issued in the principal amount of \$22,565,000 and used to make loans to the City of Bordentown (“Bordentown”), the Township of Medford (“Medford”) and the Township of Maple Shade (“Maple Shade” and together with Bordentown and Medford, the “2006 Borrowers”), (c) refund on an advanced basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2007 (the “Callable 2007 Bonds”) originally issued in the principal amount of \$4,595,000 and used to make a loan to the Township of Riverside (“Riverside” or the “2007 Borrower”), and (d) refund on an advanced basis, all or a portion of the Commission’s outstanding County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2009 (the “Callable 2009 Bonds”) originally issued in the principal amount of \$18,950,000 and used to make loans to Evesham, the Township of

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\* Preliminary, subject to change.



Cinnaminson (“Cinnaminson”) and the Township of Delran (“Delran” and together with Evesham and Cinnaminson, the “2009 Borrowers”; and the 2009 Borrowers together with the 2005 Borrower, the 2006 Borrowers and the 2007 Borrower, shall be known as the “Borrowers”), and (ii) pay certain of the costs of issuance of the Series 2017A Bonds and the Borrower Bonds (as hereinafter defined) securing the respective repayment obligations of the Borrowers.

The Series 2017A Bonds are direct and special obligations of the Commission. The Series 2017A Bonds are payable from the Revenues (as hereinafter defined) and are secured by a lien on the Pledged Property (as hereinafter defined). “Revenues” shall include: (i) all Loan Repayments received by the Commission pursuant to the Borrower Bonds (as hereinafter defined), (ii) any other amounts received from any other source by the Commission and pledged by the Commission as security for the payment of the Series 2017A Bonds, and (iii) interest or other investment earnings received or to be received on any moneys or securities held pursuant to the Bond Resolution and paid or required to be paid into the Revenue Fund; provided, however, that Revenues shall not include payments made by the Bond Insurer, if any, pursuant to the Bond Insurance Policy. “Pledged Property” shall include the Borrower Bonds and the Revenues and Funds (other than the Rebate Fund), including Investment Securities held in any such Fund under the Bond Resolution, together with all proceeds and revenues of the foregoing and all of the Commission’s right, title and interest in and to the foregoing, and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2017A Bonds.

The obligation of each Borrower under its Borrower Bond is a direct and general obligation, payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of said Borrower, without limitation as to rate or amount.

The Series 2017A Bonds are further secured by the unconditional guaranty of the County of Burlington, New Jersey (the “County”) to pay, when due, the principal of and interest on the Series 2017A Bonds (the “County Guaranty”). The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County, without limitation as to rate or amount for the payment of its obligations under the County Guaranty.

Copies of the Bond Resolution, the Borrower Bonds, the County Guaranty and the Guaranty Agreement (as hereinafter defined) are on file in the offices of the Commission in Palmyra, New Jersey and at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the “Trustee”), and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the Series 2017A Bonds, the custody and application of the proceeds of each Series of the Series 2017A Bonds, the rights and remedies of the Holders of the Series 2017A Bonds, and the rights, duties and obligations of the Commission, the County, the Borrowers and the Trustee.

The description and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to the full text of each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document.

## PLAN OF FINANCING

### Overview

The Commission has previously issued its \$12,185,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2005 (the “2005 Bonds”), \$22,565,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006 (the “2006 Bonds”), \$4,595,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2007 (the “2007 Bonds”) and \$18,950,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2009 (the “2009 Bonds” and together with the 2005 Bonds, the 2006 Bonds and 2007 Bonds, the “Prior Bonds”) to finance loans (collectively, the “Prior Loans” and each, a “Prior Loan”) to, among other local units, the Borrowers. To evidence the Borrowers’ Prior Loans, each Borrower issued its general obligation bond (the “Prior Borrower Bonds”) to the Commission in the principal amount of its respective Prior Loan. The Commission pledged the loan repayments due under the Prior Borrower Bonds to secure a portion of the payment of the principal of and interest on the Prior Bonds.

The Series 2017A Bonds are being issued to provide funds to make a loan to each of the Borrowers (each, a “Series 2017A Borrower Loan” and collectively, the “Series 2017A Borrower Loans”), to: (i) (a) refinance a portion of the Prior Loans made in relation to the 2005 Callable Bonds in the principal amount of \$2,970,000 and thereby currently refund a portion of the outstanding 2005 Bonds allocable to the 2005 Borrower maturing on and after April 28, 2017 (the “Refunded Series 2005 Bonds”), (b) refinance a portion of the Prior Loans made in relation to the 2006 Callable Bonds in the aggregate principal amount of \$8,725,000 and thereby currently refund a portion of the outstanding 2006 Bonds allocable to the 2006 Borrowers maturing on and after April 28, 2017 (the “Refunded Series 2006 Bonds”), (c) refinance a portion of the Prior Loans made in relation to the 2007 Callable Bonds in the principal amount of \$1,520,000 and thereby advance refund a portion of the outstanding 2007 Bonds allocable to the 2007 Borrower maturing on and after December 15, 2017 (the “Refunded Series 2007 Bonds”), (d) refinance a portion of the Prior Loans made in relation to the 2009 Callable Bonds in the principal amount of \$6,120,000 and thereby advance refund a portion of the outstanding 2009 Bonds allocable to the 2009 Borrowers maturing on and after August 15, 2019 (the “Refunded Series 2009 Bonds” and together with the Refunded 2005 Bonds, the Refunded 2006 Bonds and the Refunded 2007 Bonds, the “Refunded Bonds”), and (ii) pay certain of the costs of issuance of the Series 2017A Bonds and the Borrower Bonds securing the respective repayment obligations of the Borrowers (collectively, the “Refunding Project”).

In connection with the issuance of the Series 2017A Bonds, the Commission will enter into an Escrow Deposit Agreement, dated the date of delivery of the Series 2017A Bonds (the “Escrow Deposit Agreement”), with TD Bank, National Association, as escrow agent (in such capacity, the “Escrow Agent”), pursuant to which a portion of the proceeds of the Series 2017A Bonds will be deposited in the Escrow Fund established under the Escrow Deposit Agreement and held uninvested as cash or invested in direct and general obligations of, or obligations fully and unconditionally guaranteed by, the United States of America (“Government Obligations”), the maturing principal of which and interest thereon shall be used to pay principal of and interest on the (i) Refunded Series 2005 Bonds through April 28, 2017 (the “Series 2005 Redemption

Date”) and to redeem the Refunded Series 2005 Bonds on the Series 2005 Redemption Date, at a redemption price (the “Series 2005 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2005 Bonds, and interest accrued and to accrue thereon to the Series 2005 Redemption Date, (ii) Refunded Series 2006 Bonds through April 28, 2017 (the “Series 2006 Redemption Date”) and to redeem the Refunded Series 2006 Bonds on the Series 2006 Redemption Date, at a redemption price (the “Series 2006 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2006 Bonds, and interest accrued and to accrue thereon to the Series 2006 Redemption Date, (iii) Refunded Series 2007 Bonds through December 15, 2017 (the “Series 2007 Redemption Date”) and to redeem the Refunded Series 2007 Bonds on the Series 2007 Redemption Date, at a redemption price (the “Series 2007 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2007 Bonds, and interest accrued and to accrue thereon to the Series 2007 Redemption Date and (iv) Refunded Series 2009 Bonds through August 15, 2019 (the “Series 2009 Redemption Date”, and together with the Series 2005 Redemption Date, the Series 2006 Redemption Date and the Series 2007 Redemption Date, the “Redemption Dates”) and to redeem the Refunded Series 2009 Bonds on the Series 2009 Redemption Date, at a redemption price (the “Series 2009 Redemption Price” and together with the Series 2005 Redemption Price, the Series 2006 Redemption Price and the Series 2007 Redemption Price, the “Redemption Prices” ) equal to 100% of the principal amount thereof, of the Refunded Series 2009 Bonds, and interest accrued and to accrue thereon to the Series 2009 Redemption Date.

The mathematical calculations of the adequacy of the deposit to provide for payment of the Refunded Bonds will be verified by Bowman & Company LLP, Voorhees, New Jersey at the time of delivery of the Series 2017A Bonds. All moneys and Government Obligations deposited for the payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

### **Review by Local Finance Board**

Pursuant to the Local Authorities Fiscal Control Law (*N.J.S.A. 40A:5A-1 et seq.*), the Commission made application to the Local Finance Board of the Division of Local Government Services in the State Department of Community Affairs (the “Local Finance Board”) to review the Commission’s proposed issuance of the Series 2017A Bonds and the adoption of the County Guaranty by the County. After the Local Finance Board hearing on such application on November 9, 2016, it adopted resolutions reporting its favorable findings to the Commission in connection with the issuance of the Series 2017A Bonds and the adoption of the County Guaranty by the County. The Commission adopted a resolution confirming the findings of the Local Finance Board at its meeting of December 13, 2016.

### **Action by the County**

The Board of Chosen Freeholders of the County has, by an ordinance duly and finally adopted on November 9, 2016, authorized the County Guaranty and the execution by the County of the Guaranty Reimbursement Agreement, dated as of the date of delivery of the Series 2017A, Bonds (the “Guaranty Agreement”), by and among the County, the Commission and the Trustee.

Pursuant to the County Guaranty, the County also approved the issuance of the Series 2017A Bonds for the purpose of financing the Refunding Project and the Government Loan Program.

### **The Borrower Loans**

The Series 2017A Bonds are being issued to provide funds to make a Series 2017 Borrower Loan to each of the Borrowers. Each Borrower will apply the proceeds of its Series 2017A Borrower Loan to: (i) refund a portion of its Prior Borrower Bond; and (ii) pay certain of the costs of issuance of the Series 2017A Bonds and the Borrower Bonds securing the respective repayment obligations of the Prior Borrower Bonds.

The Borrower Loans will be made pursuant to separate bond purchase agreements entered into by and between the Commission and each of the Borrowers (each a “Borrower Purchase Agreement”, and collectively, the “Borrower Purchase Agreements”). Pursuant to the Borrower Purchase Agreements, and in accordance with applicable State law, each Borrower will issue and sell its general obligation bond (each, a “Borrower Bond”, and collectively, the “Borrower Bonds”) to the Commission in the respective principal amounts shown below. The Borrower Bonds will be purchased by the Commission and will be pledged by the Commission to secure each respective Series of the Series 2017A Bonds. Each Borrower will pay to the Commission the principal of and interest on its respective Borrower Bonds (collectively, the “Loan Repayments”) and the payment of principal of and interest on all Borrower Bonds in the aggregate will be sufficient to pay the principal of and interest on the Series 2017A Bonds. Loan Repayments shall be made by each Borrower on each January 15 and July 15 prior to each Interest Payment Date, commencing July 15, 2017 (each a “Loan Repayment Date”). A default by a Borrower under its Borrower Bond will not cause a default under the Borrower Bonds of non-Defaulting Borrowers (as hereinafter defined). See “SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER BONDS AND BORROWER PURCHASE AGREEMENTS” herein. If the County Guaranty is drawn on to cure any Borrower default, the County is entitled to enforce its rights to reimbursement against such defaulted Borrower pursuant to the Guaranty Agreement.

<u><b>Borrower</b></u>	<u><b>Borrower Bond Amount</b></u>	<u><b>Borrower Refunded Bond Amount</b></u>
City of Bordentown	\$	\$1,572,000
Township of Cinnaminson		2,235,000
Township of Delran		1,065,000
Township of Evesham		5,790,000
Township of Maple Shade		6,207,000
Township of Medford		946,000
Township of Riverside		1,520,000
Total		<u>\$19,335,000</u>

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2017A Bonds.

### Sources of Funds:

Par Amount	\$
[Net] Original Issue Premium/Discount	
Total Sources of Funds:	<u>\$</u>

### Uses of Funds:

Deposit into Escrow Fund for Refunded Series 2005 Bonds	\$
Deposit into Escrow Fund for Refunded Series 2006 Bonds	
Deposit into Escrow Fund for Refunded Series 2007 Bonds	
Deposit into Escrow Fund for Refunded Series 2009 Bonds	
Deposit into Operating Fund for Costs of Issuance <sup>(1)</sup>	
Total Uses of Funds:	<u>\$</u>

<sup>(1)</sup> Includes Underwriter's discount, legal, accounting, printing, financial advisory, Escrow Agent, Verification Agent, and Commission fees and fiduciary expenses incurred in connection with the issuance of the Series 2017A Bonds.

## SECURITY FOR THE SERIES 2017A BONDS

### **General**

The Series 2017A Bonds constitute direct and special obligations of the Commission. The Series 2017A Bonds are solely secured by the pledge of the Pledged Property, as that term is defined in the Resolution, which includes the Borrower Bonds, the Funds which are established and created under the Bond Resolution (excluding the Rebate Fund) and which are held by the Trustee under the terms of the Bond Resolution, and all other moneys, securities or funds pledged for the payment of the principal or redemption price of, and interest on the Series 2017A Bonds in accordance with the terms and provisions of the Bond Resolution. See "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

THE SERIES 2017A BONDS SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF (EXCEPT TO THE EXTENT ANY BORROWER IS OBLIGATED TO MAKE PAYMENTS PURSUANT TO ITS RESPECTIVE BORROWER BOND), OTHER THAN THE COMMISSION AND, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY, THE COUNTY, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY

POLITICAL SUBDIVISION THEREOF (EXCEPT TO THE EXTENT ANY BORROWER IS OBLIGATED TO MAKE PAYMENTS PURSUANT TO ITS RESPECTIVE BORROWER BOND), OTHER THAN THE COMMISSION AND, AS APPLICABLE, UNDER AND LIMITED BY THE COUNTY GUARANTY, THE COUNTY.

The provisions of the Series 2017A Bonds and the Bond Resolution are deemed to be and do constitute contracts by and among the Commission, the Trustee and the registered owners, from time to time, of the Series 2017A Bonds and the security interest which is granted and the pledge which is made in the Bond Resolution and the covenants and agreements which are set forth in the Bond Resolution to be performed on behalf of the Commission shall be for the equal benefit, protection and security of the registered owners of any and all Series 2017A Bonds, all of which, regardless of the time or times of their issue, series or maturity, shall be of equal rank without preference, priority or distinction of any Series of the Series 2017A Bonds over any other thereof, except as expressly provided in or pursuant to the terms of the Bond Resolution.

### **Borrower Purchase Agreements**

The Commission has entered into each Borrower Purchase Agreement to set forth the terms of the purchase of the related Borrower Bond evidencing each Borrower Loan. Pursuant to each Borrower Purchase Agreement, the Commission will purchase the applicable Borrower Bond in the principal amount equal to the related Borrower Loan. Each Borrower will be required to make the Loan Repayments to the Commission pursuant to its Borrower Bond on each Loan Repayment Date. The aggregate of the Loan Repayments made by the Borrowers will be sufficient to enable the Commission to pay the principal or redemption price of, and interest on the Series 2017A Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER BONDS AND BORROWER PURCHASE AGREEMENTS" herein.

### **Loans and General Obligations of the Borrowers; Opinion of Counsel**

The obligation of each Borrower to repay its Borrower Loan is a direct and general obligation of the Borrower payable from its general revenues. In the opinion of bond counsel to each of the Borrowers each respective Borrower Bond is a valid and legally binding general obligation of the applicable Borrowers and, unless paid from other sources, is payable from *ad valorem* taxes levied upon all taxable real property within the jurisdiction of such Borrower, without limitation as to rate or amount.

### **County Guaranty**

Pursuant to the County Guaranty, the County has unconditionally agreed to guarantee the payment, when due, of the principal of and interest on the Series 2017A Bonds.

The full faith and credit of the County has been pledged for the payment of the County's obligations under the County Guaranty and the County has the power and the obligation to cause the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount for the payment, when due, of its obligations under the County Guaranty.

Reference is made to Appendices A and B hereto for certain information regarding the County.

## **DESCRIPTION OF THE SERIES 2017A BONDS**

### **General**

The Series 2017A Bonds are to be issued in the aggregate principal amount of \$19,160,000\*. The Series 2017A Bonds shall be dated and bear interest from the date of delivery, payable semi-annually thereafter on February 15 and August 15 of each year (or, if any such date is a not a Business Day, on the next succeeding Business Day), commencing August 15, 2017, (each an “Interest Payment Date”), at the respective rates per annum and will mature as set forth on the inside front cover page of this Official Statement.

The interest on the respective Series of the Series 2017A Bonds will be payable to each owner thereof in whose name the respective Series of the Series 2017A Bond is registered upon the registration books maintained by the Trustee, at its principal corporate trust office in Cherry Hill, New Jersey, as of the close of business on the first (1st) day of the month (whether or not a Business Day) containing any Interest Payment Date.

Each Series of the Series 2017A Bonds will be issued as fully registered book-entry bonds, and registered in the name of Cede & Co. (“Cede”), as nominee for DTC, which will act as securities depository for the Series 2017A Bonds under its book-entry-only system. See “- The DTC Book-Entry-Only System” below. An individual purchaser may purchase a Series 2017A Bond in book-entry form (without certificates) in denominations of \$5,000, or any integral multiple thereof. Provided DTC, or its nominee Cede, is the registered owner of the Series 2017A Bonds, the principal or redemption price, if any, of and interest on the Series 2017A Bonds will be paid to DTC or Cede, as its nominee. See “- The DTC Book-Entry-Only System” below. In the event the Series 2017A Bonds are no longer subject to the DTC Book-Entry-Only System, the principal or redemption price of the Series 2017A Bonds will be payable upon surrender of the respective Series 2017A Bonds at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey, as Paying Agent (the “Paying Agent”), or at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Bond Resolution.

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

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2017A Bonds, payment of principal and interest, and other payments on the Series 2017A Bonds to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2017A Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Commission. Accordingly, the Commission does not make any representations as to the completeness or accuracy of such information.

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\* Preliminary, subject to change.

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

DTC will act as securities depository for the Series 2017A Bonds. The Series 2017A 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 Series 2017A Bond certificate will be issued for each maturity of each Series of the Series 2017A Bonds, each in the aggregate principal amount of such maturity, 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 (the "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 (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2017A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017A Bond (a "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 Series 2017A 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 Series 2017A Bonds, except in the event that use of the book-entry-only system for the Series 2017A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017A 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 Series 2017A 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 Series 2017A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of any Series of the Series 2017A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017A 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 Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission 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 Paying Agent, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission 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 Series 2017A Bonds at any time by giving reasonable notice to the Commission or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates for each Series of the Series 2017A Bonds are required to be printed and delivered.

The Commission 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 for each Series of the Series 2017A Bonds will be printed and delivered to DTC.

THE COMMISSION, THE TRUSTEE AND PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS DTC PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2017A BONDS (1) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017A BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2017A BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH ITS DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE COMMISSION, THE TRUSTEE AND PAYING AGENT AND THE UNDERWRITER WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2017A BONDS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON ANY SERIES 2017A BONDS; (3) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO THE BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2017A BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

### **Redemption Prior to Maturity**

***Optional Redemption.*** The Series 2017A Bonds are not subject to optional redemption prior to maturity.

***Mandatory Sinking Fund Redemption.*** The Series 2017A Bonds maturing August 15, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity on August 15 in the years shown below, at a price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from sinking fund payments in the amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
2027	\$
2028	
2029	

The Series 2017A Bonds to be redeemed from sinking fund payments shall be selected by lot by the Trustee; provided however, that the portion of any Series 2017A Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof.

***Notice of Redemption.*** When any Series 2017A Bonds have been selected for redemption as described and provided herein, the Trustee shall give written notice of such redemption, which notice shall set forth (i) the date fixed for redemption; (ii) the redemption price to be paid; (iii) that such Series 2017A Bonds will be redeemed at the principal office of the Paying Agent; (iv) if less than all of the Series 2017A Bonds shall be called for redemption, the distinctive numbers and letters, if any, of the Series 2017A Bonds to be redeemed; and (v) in the case of Series 2017A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. The Trustee shall mail such notice of redemption, postage prepaid, to the registered owners of the applicable Series 2017A Bonds or portions thereof which are to be redeemed at their last addresses, if any, appearing upon the registry books, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, but such mailing shall not be a condition precedent to such redemption and failure so to mail shall not affect the validity of the proceedings for the redemption of the Series 2017A Bonds.

## **SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT OF NEW JERSEY MUNICIPALITIES AND COUNTIES**

### **General**

Each respective Borrower Bond (which is pledged to the Holders of the respective Series 2017A Bonds) constitutes a general obligation of the applicable Borrower.

The following is a summary of certain provisions of New Jersey law relating to the protection of general obligation debt of New Jersey municipalities and counties. This summary does not purport to be a full and complete statement of all of the provisions referred to herein, and the cited statutes should be read in full for a complete understanding of all of said provisions.

### **Local Bond Law**

The Local Bond Law (*N.J.S.A. 40A:2-1 et seq.*) generally governs the issuance of bonds and notes by local units to finance certain capital improvements and appropriations. The Local Bond Law requires that bonds must mature within the statutory period of usefulness of the projects for which bonds have been issued and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of capital expenditures. All bonds and notes issued by the Borrowers and to be refunded by the Borrower Bonds are general (“full faith and credit”) obligations.

## Debt Limits

***Debt Limits.*** The net authorized debt of all local units which are municipalities in the State of New Jersey is generally limited by statute to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The net authorized debt of all local units that are counties is generally limited by statute to an amount equal to two percent (2%) of its equalized valuation basis. The equalized valuation basis of the local unit is set by statute as the average for the last three (3) years of the sum of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Department of the Treasury, Division of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

***Exceptions To Debt Limits - Extensions Of Credit.*** The debt limit of a local unit may be exceeded with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the local unit must 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 ability of a local unit to meet its obligations or to provide essential services, and the Local Finance Board makes other statutory determinations, approval is granted. See “CAP Limitations” herein.

***School Debt.*** In the State of New Jersey, in a Type II school district without a Board of School Estimate, school debt authorized by the board of education must be approved by the registered voters of that school district. When the amount authorized exceeds the school district’s limit, the district may use the municipality’s share of available borrowing capacity upon approval of the proposed debt by the State Commissioner of Education and the Local Finance Board, and subsequently by the registered voters of the district. School debt of a Type I school district is authorized by a Board of School Estimate and the governing body of a local unit.

***The Local Budget Law (N.J.S.A. 40A:4-1 et seq.).*** The foundation of the New Jersey local finance system is the annual budget. Every local unit must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the “Director”) prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review focusing on anticipated revenues serves to protect the solvency of all local units. The budgets of local units must be in balance; i.e., total anticipated revenues must equal total appropriations.

If in any year a local unit’s expenditures exceed (or are less than) its realized revenues for that year, then such deficit (excess) must be raised (accounted for) in the succeeding year’s budget.

**Real Estate Taxes.** The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The Local Budget Law (*N.J.S.A. 40A:4-29*) provides that the maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.

The Local Budget Law (*N.J.S.A. 40A:4-41*) also 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.

This provision requires that an additional amount (the “Reserve For Uncollected Taxes”) be added to the tax levy required to balance the budget so that when the percentage collected of the prior year’s tax levy is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The Reserve For Uncollected Taxes is calculated to be the levy required to balance a local unit’s budget multiplied by the prior year’s percentage of uncollected taxes (or a lesser percentage).

**Miscellaneous Revenues.** The Local Budget Law (*N.J.S.A. 40A:4-26*) provides that no miscellaneous revenue from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination in writing to the local unit.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

**CAP Limitations.** 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 local unit 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 local unit to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the local unit to pay debt service on the bonds and notes. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year’s final appropriations subject to certain exceptions. The “index rate” is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures

mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

***Deferral of Current Expenses.*** A local unit may make emergency appropriations after the adoption of a budget and the determination of the tax rate, but only to meet unforeseen pressing needs to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance. With limited exceptions set forth below, such appropriations must be included in full in the following year’s budget. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required (*N.J.S.A. 40A:4-46, -47, -49*). The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three (3) years, and tax map preparation, revision of ordinances, and master plan preparations, which may be amortized over five (5) years (*N.J.S.A. 40A:4-55, -55.3*).

Under the CAP Law, emergency resolutions aggregating less than three percent (3%) of the previous year’s final current operating appropriations may be raised in that portion of the budget outside its limitations if approved by at least two-thirds (2/3) of the members of the governing body and the Director. Emergency resolutions that aggregate more than three percent (3%) of the previous year’s final current operating appropriations must be raised within its limitations. Emergency resolutions for debt service, capital improvements, the local unit’s share of Federal or State grants and other statutorily permitted items are outside its limitation.

***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 (2) months of the year. Subaccounts (line items) within an appropriation are not subject to the same year-end transfer restriction; however, they are subject to internal review and approval.

***Capital Budget.*** In accordance with the Local Budget Law, each local unit must adopt and annually revise a capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over a period of up to six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body of a local unit setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

***Operation of Utilities.*** Municipal public utilities are supported, in addition to the general taxing power upon real property, by the revenues generated by the respective operations of the utilities.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget 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 budgets of the utilities.

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.

***Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.).*** This law regulates the non-budgetary financial activities of local units. The chief financial officer of a local unit must file annually with the Director a verified statement of the financial condition of the local unit. The statements of the Borrowers are on file with each respective municipal clerk and the Director.

An independent examination of a local unit's financial statements must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of a local unit's financial procedures and must be filed with the municipal clerk within six (6) months after the close of its fiscal year and, within five (5) days thereafter, a certified duplicate copy must be filed in the office of the Director (N.J.S.A. 40A:5-6). The filing date of an audit may be extended by the Director upon a showing of good cause. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of its completion (N.J.S.A. 40A:5-7).

## **SUMMARY OF CERTAIN PROVISIONS OF THE BORROWER BONDS AND BORROWER PURCHASE AGREEMENTS**

The following is a summary of certain provisions of the Borrower Bonds and the Borrower Purchase Agreements. This summary does not purport to be comprehensive or definitive and is qualified by reference to all of the terms and the provisions of the Borrower Bonds and the Borrower Purchase Agreements to which reference is hereby made. Capitalized

words and phrases that are not defined herein or conventionally capitalized have the meanings given such words or phrases in the Borrower Bonds and the Borrower Purchase Agreements.

The Commission has entered into the Borrower Purchase Agreements, the terms of which, except for the principal amount of Borrower Bonds to be purchased from each Borrower by the Commission, are substantially identical. The obligations of each Borrower under their respective Borrower Bonds, and their respective Borrower Purchase Agreements, are separate and distinct. The default by any Borrower under the terms of its respective Borrower Bond or Borrower Purchase Agreement does not impose additional obligations on the non-Defaulting Borrowers (as hereinafter defined).

### **Borrower Bonds are General Obligations**

The Local Bond Law provides that the power and obligation of each Borrower to pay its Borrower Bond shall be unlimited, and unless paid from other sources each such Borrower shall levy *ad valorem* taxes upon all the taxable real property within its jurisdiction for the payment of the principal of and interest on its Borrower Bond, without limitation as to rate or amount.

### **Events of Default of the Borrowers**

Each Borrower has entered into a separate and distinct Bond Purchase Agreement with the Commission, and the Commission will purchase each Borrower Bond pursuant thereto. Any default by any Borrower (the “Defaulting Borrower”) which constitutes an Event of Default under its Borrower Bond will not affect the rights, duties and obligations of the non-Defaulting Borrowers. The following are Events of Default under the Borrower Bonds: (i) failure by the Borrower to make payments of principal of or interest on the Borrower Bond when due, and (ii) the occurrence of an Event of Default by the Commission under the Bond Resolution caused by an action of the Borrower which is directly attributable to the Borrower under its respective Borrower Bond or a Default by the Borrower of its covenants under its Bond Purchase Agreement with the Commission.

## **SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION**

The Bond Resolution contains various covenants and security provisions relating to the Series 2017A Bonds (which are sometimes referred to as “Bonds” under this heading), certain of which are summarized below. The following summary does not purport to be a full and complete statement of the provisions of the Bond Resolution, and the Bond Resolution should be read in full for a complete understanding of all the provisions thereof.

Capitalized terms which are used herein shall have the same meanings which are assigned to such terms in the Bond Resolution.

### **Resolution to Constitute Contract**

The Bond Resolution shall be deemed to be and shall constitute a contract between the Commission and the Holders from time to time of the Series 2017A Bonds; and the security interest granted and the pledge and assignment made in the Bond Resolution and the covenants and agreements therein set forth to be performed on behalf of the Commission shall be for the



equal benefit, protection and security of the Holders of any and all of the Series 2017A Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2017A Bonds over any other thereof, all except as expressly provided in or permitted by the Bond Resolution.

### **The Pledge Effected by the Bond Resolution**

The Series 2017A Bonds are direct and special obligations of the Commission payable solely from the Pledged Property, including the Borrower Bonds and the Revenues and Funds (excluding the Rebate Fund), including Investment Securities, held in any such Fund, together with all proceeds and revenues of the foregoing, all the Commission's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of, and interest on, the Series 2017A Bonds. All of the Pledged Property is pledged and assigned as security for the payment of the principal or Redemption Price of, and interest on, the Series 2017A Bonds in accordance with their terms and the provisions of the Bond Resolution, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.

Nothing contained in the Bond Resolution shall be deemed a limitation upon the authority of the Commission to issue bonds, notes or other obligations under the Act secured by other income and funds other than the Pledged Property, including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

### **Establishment of Funds and Accounts**

The following Funds and Accounts are established under the Bond Resolution:

- Loan Fund, to be held by the Trustee,
- Revenue Fund, to be held by the Trustee,
- Debt Service Fund, to be held by the Trustee,
- Operating Fund, to be held by the Trustee, and
- Rebate Fund, to be held by the Commission.

### **Loan Fund**

There shall be paid into the Loan Fund the amounts required to be so paid by the provisions of the Bond Resolution or any Supplemental Resolution. The Trustee shall apply moneys in the Loan Fund, at the written direction of the Commission, to the making of Loans to the Borrowers in accordance with Article XIII of the Bond Resolution.

## **Revenue Fund**

All Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund. As soon as practicable after the deposit of Revenues into the Revenue Fund, the Trustee shall transfer to the Debt Service Fund the Loan Repayments, if any, required so that the balance in said Fund shall equal the sum of the amounts of the Debt Service Requirement on the Series 2017A Bonds for the next respective succeeding Interest Payment Date.

## **Debt Service Fund**

Revenues representing Loan Repayments deposited in the Revenue Fund on any Loan Repayment Date shall be credited as soon as practicable after the deposit thereof to the Debt Service Fund. The Trustee shall determine (A) whether the amounts on deposit in the Debt Service Fund in the aggregate are sufficient to meet the Debt Service Requirement on the Series 2017A Bonds for the next succeeding Interest Payment Date, and (B) which, if any, Defaulting Borrower has not made a Loan Repayment or any portion thereof.

In the event the amounts on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement for the Series 2017A Bonds on the next Interest Payment Date, the Trustee shall give written notice thereof to the Commission, the Treasurer of the County, or its designee, and the Defaulting Borrower whose Loan Repayment is deficient of such deficiency no later than 3:00 p.m. of the second Business Day after such Loan Repayment Date, which notice shall state the amount of such deficiency as of the close of business on such date, the identity of the Defaulting Borrower and shall also state that such deficiency must be cured no later than fifteen (15) days before the next ensuing Interest Payment Date. The notice to the Treasurer of the County and the Commission shall also include the amount of the Loan Repayment due and payable and the amount required to be paid by the County to cure such deficiency to enable the Trustee to make a Debt Service payment on the Series 2017A Bonds on the next ensuing Interest Payment Date. The receipt of any such notice by the Treasurer of the County, or its designee, shall be acknowledged in writing by the County to the Trustee within two (2) Business Days after receipt thereof. If the Defaulting Borrower has not cured the deficiency in its Loan Repayment fifteen (15) days prior to the applicable Interest Payment Date, the Trustee shall so notify the County and the County shall pay to the Trustee, not later than two (2) Business Days prior to such Interest Payment Date, any and all amounts required to pay the balance of the Debt Service on the Series 2017A Bonds.

On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Debt Service Fund an amount equal to the interest due on the Series 2017A Bonds on such Interest Payment Date or redemption date, which moneys shall be applied by the Paying Agent to the payment of such interest. On the maturity or Sinking Fund Installment due date of the Series 2017A Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal or Redemption Price of the Series 2017A Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the Redemption Price of the Series 2017A Bonds to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the

payment of such Redemption Price. Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Installment, if so directed in writing by the Commission, shall be paid by the Trustee, on or prior the fortieth (40th) day next preceding the due date of such Sinking Fund Installment, for the purchase of Series 2017A Bonds of the series and maturity for which such Sinking Fund Installment was established. All such purchases of any Series 2017A Bonds shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Series 2017A Bonds, plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Commission.

### **Operating Fund**

Upon issuance of the Series 2017A Bonds, any proceeds representing costs of issuance shall be deposited in the Operating Fund. Amounts on deposit in the Operating Fund will be paid out by the Trustee from time to time for costs of issuance, annual Trustee's fees, County Guaranty Costs and Commission Administrative Expenses, upon requisition therefor submitted to the Trustee and signed by an Authorized Commission Representative.

### **Rebate Fund**

Moneys on deposit in the Rebate Fund, including earnings on or gain realized on any moneys or investments therein, shall be held by the Commission in trust and applied as provided by instructions to the Commission contained in the Tax Certificate delivered pursuant to the Bond Resolution.

### **Redemption**

In the case of any redemption of the Series 2017A Bonds at the election or direction of the Commission, the Commission shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Series 2017A Bonds of each series and maturity to be redeemed (which series and maturities and principal amounts thereof to be redeemed shall be determined by the Commission in its sole discretion, subject to any limitations with respect thereto contained in the Bond Resolution). Such notice shall be given at least fifty (50) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. Notice of redemption shall be given to Bondholders as provided in the Bond Resolution; provided, however, that such notice of redemption, other than any redemption required by the terms of the Bond Resolution or of any redemption of the Series 2017A Bonds with proceeds of bonds, notes or other obligations of the Commission issued on behalf of a Borrower for purposes of refunding all or a portion of the Series 2017A Bonds, shall not be given unless prior to giving such notice there shall be paid by the Commission to the Paying Agent on or prior to the giving of such redemption notice an amount in cash which, in addition to other moneys, if any, available therefor held by the Paying Agent, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the applicable series of the Series 2017A Bonds to be redeemed. The Commission shall promptly notify the Trustee in writing of all such payments by the Commission to the Paying Agent.

## **Selection of Series 2017A Bonds to be Redeemed**

Except as otherwise set forth herein under the caption "DESCRIPTION OF THE SERIES 2017A BONDS – The DTC Book-Entry-Only System, if less than all of any series of the Series 2017A Bonds of like maturity shall be called for prior redemption, the particular series of the Series 2017A Bonds or portions thereof to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its sole discretion may deem fair and appropriate; provided, however, that the portion of any series of the Series 2017A Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof, and that, in selecting any series of the Series 2017A Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bonds by the minimum denomination in which Bonds are authorized to be Outstanding after the redemption date.

## **Depositories**

All moneys held by the Trustee and the Commission under the provisions of the Bond Resolution shall constitute trust funds and the Trustee and the Commission may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Bond Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Bond Resolution, and each of the Funds and Accounts established by the Bond Resolution shall be a trust fund for the purposes thereof.

## **Investment of Certain Funds**

Moneys held in the Debt Service Fund, the Loan Fund and the Revenue Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. In making any investment in any Investment Securities with moneys in any Fund established under the Bond Resolution, the Commission may instruct in writing the Trustee or any Depository to combine such moneys with moneys in any other Fund, but solely for purposes of making such investment in such Investment Securities.

## **Power to Issue Bonds and Pledge Pledged Property**

The Commission is duly authorized under all applicable laws to create and issue the Series 2017A Bonds, to adopt the Bond Resolution and execute the Series Certificate and to pledge the Pledged Property purported to be subjected to the lien of the Bond Resolution in the manner and to the extent provided in the Bond Resolution. Except to the extent otherwise provided in the Bond Resolution, the Pledged Property so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by the Bond Resolution, and all action on the part of the Commission to that end has been and will be duly and validly taken. The Series 2017A Bonds and the provisions of the Bond Resolution are and will be the valid and legally binding obligations of the Commission. The Commission shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property under the Bond Resolution

and all the rights of the Bondholders under the Bond Resolution against all claims and demands of all persons whomsoever.

### **Tax Covenant**

The Commission covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Series 2017A Bonds. In furtherance of the covenant contained in the preceding sentence, the Commission will, among other things, comply with the Tax Certificate. Notwithstanding any other provision of the Bond Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Series 2017A Bonds, the covenants contained in the Bond Resolution shall survive the payment or discharge thereof upon defeasance of such Series 2017A Bonds pursuant to the Bond Resolution.

### **Events of Default**

The following events shall constitute an Event of Default under the Bond Resolution:

- (i) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Series 2017A Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;
- (ii) if default shall be made in the due and punctual payment of any installment of interest on any Series 2017A Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Installment is due on the maturity date of such Series 2017A Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;
- (iii) if default shall be made by the County pursuant to the County Guaranty and Guaranty Agreement in the due and punctual payment of the principal of or interest on the Series 2017A Bonds when such payment shall become due and payable, not less than two (2) Business Days before any Interest Payment Date upon notice by the Trustee to the Commission and the County under the Guaranty Agreement and such default is not cured by such Interest Payment Date;
- (iv) if default shall be made by the Commission in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Bond Resolution or in the Series 2017A Bonds, and such default shall continue for a period of thirty (30) days after written notice thereof to the Commission by the Trustee or to the Commission and the Trustee by the Holders of not less than ten percent (10%) in principal amount of the Series 2017A Bonds Outstanding;
- (v) if the Commission shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the facilities and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written

declaration or admission to the effect that it is unable to meet its debt as such debts mature, or shall authorize to take any action in furtherance of any of the foregoing; or

- (vi) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Commission in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Commission, of the facilities and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Commission and its affairs or a decree or order finding or determining that the Commission is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days.

### **Acceleration**

So long as such Event of Default shall not have been remedied, unless the principal of all the Series 2017A Bonds shall have already become due and payable, the Trustee, by notice in writing to the Commission, upon receipt of a direction in writing from the Holders of not less than twenty-five percent (25%) in principal amount of the Series 2017A Bonds Outstanding, shall declare the principal of all the Series 2017A Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Bond Resolution or in any Series of the Series 2017A Bonds contained to the contrary notwithstanding. The right of the Trustee or of the Holders of not less than twenty-five percent (25%) in principal amount of the Series 2017A Bonds outstanding to make or direct any such declaration, however, is subject to the condition that if, at any time after such declaration, but before the Series 2017A Bonds shall have matured by their terms, all overdue installments of interest upon the Series 2017A Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by the Commission under the Bond Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Series 2017A Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Commission or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Series 2017A Bonds or under the Bond Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of twenty-five percent (25%) in principal amount of the Series 2017A Bonds Outstanding, by written notice to the Commission and the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of twenty-five percent (25%) in principal amount of the Series 2017A Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default shall ipso facto be deemed to be annulled; but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

## **Supplemental Resolutions Effective Upon Filing With the Trustee and the County**

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Commission may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative and (ii) the filing with the Trustee and the Commission of an instrument in writing made by the County consenting thereto, shall be fully effective in accordance with its terms:

- To close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution on, the authentication and delivery of the Series 2017A Bonds or the issuance of other evidences of indebtedness;
- To add to the covenants and agreements of the Commission in the Bond Resolution, other covenants and agreements to be observed by the Commission which are not contrary to or inconsistent with the Bond Resolution, the County Guaranty and the County Guaranty Agreement as theretofore in effect;
- To add to the limitations and restrictions in the Bond Resolution, other limitations and restrictions to be observed by the Commission which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;
- To authorize, in compliance with all applicable law, Series 2017A Bonds to be issued in the form of coupon Series 2017A Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Series 2017A Bonds, including provisions relating to the timing and manner of provision of any notice required to be given to the Holders of such coupon Series 2017A Bonds, which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Series 2017A Bonds;
- To authorize, in compliance with all applicable law, Series 2017A Bonds to be issued in the form of Series 2017A Bonds issued and held in book-entry form on the books of the Commission, any Fiduciary or custodian appointed for that purpose by the Commission and, in connection therewith, make such additional changes to the Bond Resolution, not adverse to the rights of the Holders of the Series 2017A Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Series 2017A Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, the Bond Resolution relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such book-entry form Series 2017A Bonds as are appropriate or necessary;
- To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Bond Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; and

- To modify any of the provisions of the Bond Resolution in any other respect whatsoever, provided that such modification shall become effective prior to the authentication and delivery of the first Series 2017A Bond authorized to be issued pursuant to the Bond Resolution, such Supplemental Resolution shall be specifically referred to in the text to all Series 2017A Bonds authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Series 2017A Bonds issued in exchange therefor or in place thereof.

### **Supplemental Resolutions Effective Upon Consent of Trustee and the County**

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee and the County of a copy thereof certified by an Authorized Commission Representative, and (ii) the filing with the Trustee and the County and the Commission of instruments in writing made by the Trustee and the County consenting thereto, shall be fully effective in accordance with its terms:

- (1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution; or
- (2) To insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution and the County Guaranty as theretofore in effect.

### **Powers of Amendment**

Any modification or amendment of the Bond Resolution and of the rights and obligations of the Commission and of the Holders of the Series 2017A Bonds thereunder, in all cases, may be made by a Supplemental Resolution with the written consent, given as provided in the Bond Resolution, of the County and the Holders of at least a majority in principal amount of the Series 2017A Bonds Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Series 2017A Bonds of any specified series and maturity remain Outstanding, the consent of the Holders of such Series 2017A Bonds shall not be required and such Series 2017A Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Series 2017A Bonds under this paragraph. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Series 2017A Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the County and the Holder of such Series 2017A Bond, or shall reduce the percentages or otherwise affect the classes of Series 2017A Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Series 2017A Bonds of any particular series and maturity would be affected by any modification or amendment of the Bond Resolution and any such determination shall be binding and conclusive on the Commission and all Holders of Series 2017A Bonds.



## **Modifications by Unanimous Consent**

The terms and provisions of the Bond Resolution and the rights and obligations of the Commission, the County and of the Holders of the Series 2017A Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Commission of a Supplemental Resolution and consent of the County and the Holders of all of the Series 2017A Bonds then Outstanding, such consent to be given as provided in the Bond Resolution except that no notice to Series 2017A Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the County and the Series 2017A Bondholders.

## **Defeasance**

If, subject to the provisions set forth in the next succeeding sentence, the Commission shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2017A Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Series 2017A Bonds and in the Bond Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under the Bond Resolution and all covenants, agreements and other obligations of the Commission to the Series 2017A Bondholders and the County, shall thereupon cease, terminate and become void and be discharged and satisfied. If the Commission shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Series 2017A Bonds of a particular series and maturity or any particular series of the Series 2017A Bonds within a maturity, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, such Series 2017A Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution and the County Guaranty, and all covenants, agreements and obligations of the Commission to the Holders of such Series 2017A Bonds and the County shall thereupon cease, terminate and become void and be discharged and satisfied.

## **Loan Defaults**

Whenever any Event of Default referred to above has happened and is continuing under the Borrower Bonds (the “Defaulted Borrower Bonds”), the Trustee shall diligently enforce, and shall take all reasonable steps, actions and proceedings necessary for the enforcement of the Defaulted Borrower Bonds as provided for in the Bond Resolution, including the prompt payment of all Loan Repayments, and in the Guaranty Agreement.

## **Payment or Prepayment of Borrower Bonds**

Upon the payment of all sums due and to become due pursuant to the applicable Borrower Purchase Agreement and on the Borrower Bond or the prepayment of the Borrower Bond in full by any Borrower, the Trustee (after 123 days have elapsed during which no Act of Bankruptcy shall have occurred with respect to such Borrower) shall cancel such Borrower Bond on behalf of the Commission and deliver it to such Borrower and shall take any other reasonable action required of the Commission or the Trustee and shall execute in its own name or in the

Commission's name all relevant documents in connection with such actions and the Trustee is hereby appointed the Commission's agent and attorney-in-fact for purposes of taking any act, including the execution and delivery of any document, required by the Bond Resolution, all at the expense of such Borrower.

### **Additional Bonds**

The Commission may not issue additional bonds under the Bond Resolution for any purpose.

## **THE COMMISSION**

### **General**

The Commission is a public body corporate and politic of the State, organized and existing under and by virtue of the Act, and created pursuant to a resolution of the Board of Chosen Freeholders of the County, duly adopted on October 22, 1948. Upon its creation, the Commission purchased the Tacony-Palmyra Bridge (completed in 1929) and the Burlington-Bristol Bridge (completed in 1931) from the Burlington-Bristol Bridge Company and assumed responsibility for their operation and maintenance. Subsequently, by order of the County Board of Chosen Freeholders, the Commission assumed jurisdiction over six non-toll bridges in the County, certain approaches to each of the bridges and certain administrative offices and maintenance facilities in Palmyra, New Jersey and Burlington City, New Jersey.

### **Powers**

The Commission's powers under the Act include, among others, the right to contract as a public body; to sue and be sued; to maintain, improve and replace any bridge under its charge and fix all boundaries and approaches; to borrow money and incur indebtedness, and issue negotiable bonds or notes for any purposes provided for in the Act; to acquire, hold and dispose of any real and personal property, enter into and condemn lands necessary for its purposes pursuant to the Act and in accordance with the laws of the State governing eminent domain; adopt rules and regulations deemed necessary for the proper governing of the bridges and approaches; and to establish and receive tolls for the use of its bridges and approaches at a rate set by the Commission. The Act also provides for dissolution of the Commission upon the satisfaction of certain requirements including repayment of all debt, at the discretion of the Board of Chosen Freeholders of the County.

In 2002, the Act was amended to expand the powers of the Commission to also include, among others, the right to plan, finance, acquire, construct, lease, improve and operate any project within the County, extend credit or make loans for such purposes and encumber all of its revenues, property, projects and facilities and fix and collect facility charges for the use of any project for the purpose of securing its bonds, notes and other obligations; enter into and perform agreements with respect to property purchased, leased, borrowed, received or accepted by the Commission from any county, municipality, governmental unit or person for use as part of any project, including agreements for the assumption of principal or interest and any mortgage or lien attached to such property; and charge and collect tolls, rents, rates, fares, fees or other charges in connection with any project owned, leased or controlled by the Commission.

## **Management**

Pursuant to the Act, the Commission is composed of three Commissioners appointed by the County Board of Chosen Freeholders for three (3) year, staggered terms. The current members of the Commission, their offices and the dates of expiration of their present terms are as follows:

<b>Commissioner</b>	<b>Office</b>	<b>Date of Expiration of Term</b>
John B. Comegno, II	Chairman	October 22, 2018
James D. Fattorini	Vice Chairman	October 22, 2019
Troy E. Singleton	Commissioner	October 22, 2017

## **Administration and Employees**

The Executive Director of the Commission is John D. Jeffers, the Treasurer is Christine J. Nociti and the Secretary is Kathleen M. Wiseman. The Commission has 118 full-time and 43 part-time employees. The Commission's Administrative Office is located at 1300 Route 73 North, Palmyra, New Jersey. Its mailing address is P.O. Box 6, Palmyra, New Jersey 08065-1090 (telephone number 856-829-1900).

## **Bridge System Revenues Not Pledged**

The Commission collects revenues from the operation of its bridge system and other operations. Because none of the Commission's revenues, other than the Revenues derived from the Refunding Project and the Governmental Loan Program pledged under the Bond Resolution, are available for payment of debt service on the Series 2017A Bonds, no additional financial or other information regarding the Commission is being furnished in this Official Statement.

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## **SERIES 2017A BONDS DEBT SERVICE REQUIREMENTS**

The following table shows the annual principal and interest requirements during the term of the Series 2017A Bonds.

<u>Year Ended (December 31)</u>	<u>Series 2017A Principal</u>	<u>Series 2017A Interest</u>	<u>Series 2017A Total</u>
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
TOTAL			

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## **LEGALITY FOR INVESTMENT**

The Act provides that the State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof; all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds of the Commission, including the Series 2017A Bonds, and such obligations are authorized security for any and all public deposits.

## **PLEDGE OF THE STATE NOT TO LIMIT POWER OF COMMISSION OR RIGHTS OF BONDHOLDERS**

The Act sets forth the pledge and agreement of the State with the holders of the bonds, notes, or other indebtedness of the Commission, including the Series 2017A Bonds, that it will not limit or alter the rights vested by the Act in the Commission to fix, establish and collect tolls or facility charges, and revise such tolls and facility charges when necessary, as will be sufficient to always comply fully with and fulfill the terms of all agreements and covenants made with the holders of the Commission's obligations and will not in any manner impair, alter or abrogate any other power or obligation vested by the Act in the Commission or the rights and remedies of such holders, until such bonds, notes or other indebtedness, together with the interest thereon, and all costs and expenses in connection with any actions or proceedings taken by or on behalf of such holders, are fully paid and discharged or adequate provision is made for the payment of discharge thereof.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Commission, the County and the Borrowers should be considered with reference to Chapter IX of the United States Bankruptcy Code (the "Bankruptcy Code"), 11 *U.S.C.* Section 901 to 946. Under Chapter IX of the Bankruptcy Code, a municipality, a political subdivision or a public agency or instrumentality of the State that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the "Bankruptcy Court") to adjust its debts. Chapter IX of the Bankruptcy Code does not permit such entity to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter IX of the Bankruptcy Code permits a financially distressed public entity to seek protection from its creditors by staying the commencement or continuation of certain actions against such public entity while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the minority of creditors. Should the Commission, the County or any Borrower file a petition in the Bankruptcy Court under Chapter IX of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Series 2017A Bonds, the Holders of the Series 2017A Bonds would be considered creditors and would be bound by the public entity's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A.* 52:27-40 thru 52:27-45.11 which provides that "any political subdivision" of the State as defined therein has the power to file a petition with the Bankruptcy Court under Chapter IX of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11

*U.S.C. Section 903, specifically provides that Chapter IX of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.*

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE COMMISSION, THE COUNTY OR ANY BORROWER EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2017A BONDS.

## **LITIGATION**

### **The Commission**

In the opinion of the Commission's Solicitor, Anthony T. Drollas, Jr., Esquire, Capehart Scatchard, P.A., Trenton, New Jersey, there is no controversy or litigation of any nature now pending or, to the best of his knowledge, threatened against the Commission restraining or enjoining the authorization, issuance, sale, execution or delivery of the Series 2017A Bonds, or in any way contesting or affecting the validity of the Series 2017A Bonds, or any proceedings of the Commission taken with respect to the authorization, issuance, sale, execution or delivery thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2017A Bonds, or the existence or powers of the Commission related to the authorization, issuance, sale execution or delivery of the Series 2017A Bonds.

### **The County**

In the opinion of the County Solicitor, Kendall J. Collings, Esquire, there is no controversy or litigation of any nature now pending or, to the best of his knowledge, threatened against the County restraining or enjoining the authorization or delivery by the County of the County Guaranty, or in any way contesting or affecting the validity of the County Guaranty, or any proceedings of the County taken with respect to the authorization or delivery thereof, or the existence or powers of the County related to the authorization and delivery of the County Guaranty. In the opinion of the County Solicitor, there is no litigation pending or, to the knowledge of the County, threatened in any court wherein an adverse decision would have a material adverse effect on the financial position of the County or its ability to pay, or to provide for payment under, the County Guaranty.

### **The Borrowers**

In the opinion of the solicitor for each Borrower, there is no controversy or litigation of any nature now pending or, to the knowledge of the solicitor of each Borrower, threatened against such Borrower restraining or enjoining the authorization, execution or delivery by such Borrower of its respective Borrower Bond, or in any way contesting or affecting the validity of such Borrower Bond, or any proceedings of such Borrower taken with respect to the

authorization, execution or delivery thereof, or the existence or powers of such Borrower related to the authorization, execution and delivery of such Borrower Bond. In the opinion of the solicitor for each Borrower, there is no litigation pending or, to the knowledge of the solicitor for each Borrower, threatened in any court wherein an adverse decision would have a material adverse effect on the financial position of such Borrower or its ability to pay, or to provide for payment under, such Borrower Bond.

## **TAX MATTERS**

In the opinion of Bond Counsel, assuming continuing compliance by the Commission and the Borrowers with their respective covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the “Code”), pertaining to the issuance of the Series 2017A Bonds, and subject to certain provisions of the Code which are described below, interest on the Series 2017A Bonds is excludable from gross income of the owners thereof for federal income tax purposes under current law, and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel, interest on the Series 2017A Bonds and any income from the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

The Code contains a number of provisions that apply to the Series 2017A Bonds, including restrictions relating to the use or investment of the proceeds of the Series 2017A Bonds and the payment of certain arbitrage earnings in excess of the “yield” on the Series 2017A Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2017A Bonds being includable in gross income for federal income tax purposes retroactive on the date of issuance of the Series 2017A Bonds. The Commission and the Borrower have covenanted to comply with these requirements.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Series 2017A Bonds are not private activity bonds, interest on the Series 2017A Bonds will not be considered a tax preference item for purposes of the alternative minimum tax for individuals and corporations. However, interest on the Series 2017A Bonds will be taken into account in determining adjusted annual earnings for the purpose of computing the alternative minimum tax on certain corporations.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

Legislation, court decisions and administrative action by tax authorities at the federal or State level may adversely affect the exclusion from gross income of interest on the Series 2017A Bonds for federal income tax purposes or the exclusion of interest on and any gain realized on the sale of the Series 2017A Bonds under the New Jersey Gross Income Tax Act.

POTENTIAL PURCHASERS OF THE SERIES 2017A BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS UNDER THE CODE OF OWNERSHIP OF THE SERIES 2017A BONDS.

### **APPROVAL OF LEGALITY**

The issuance and the delivery of the Series 2017A Bonds is subject to the approving legal opinion of Capehart Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Commission. All legal matters incident to the authorization, sale and delivery of the Borrower Bonds will be passed upon for the Borrowers by their respective solicitors and bond counsel. Certain legal matters will be passed upon for the Commission by its Solicitor, Anthony T. Drollas, Jr., Esquire, Capehart Scatchard, P.A., Trenton, New Jersey. Certain legal matters will be passed upon for the County by Parker McCay P.A., Mount Laurel, New Jersey, County Bond Counsel, and by Kendall J. Collins, Esquire, County Solicitor. Certain legal matters will be passed upon for the Underwriter by its counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey.

The various legal opinions to be delivered concurrently with the delivery of the Series 2017A 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. Neither does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **UNDERWRITING**

The Series 2017A Bonds have been purchased from the Commission by Raymond James & Associates, Inc., (the "Underwriter"), subject to the terms of a Bond Purchase Agreement between the Commission and the Underwriter dated the date of this Official Statement, at an aggregate purchase price of \$\_\_\_\_\_ (said aggregate purchase price reflecting the aggregate par amount of the Series 2017A Bonds, plus/less an aggregate [net] original issue premium/discount of \$\_\_\_\_\_, and less an aggregate Underwriter's discount of \$\_\_\_\_\_). The Underwriter intends to offer each Series of the Series 2017A Bonds to the public initially at the respective offering prices or yields set forth on the inside front cover page of this Official Statement which may subsequently change without any requirement of prior notice. The Series 2017A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2017A Bonds into investment trusts) at prices lower than the initial offering prices or yields higher than the initial offering yields set forth on the inside cover page hereof, and such public offering prices or yields may be changed from time to time by the Underwriter.

### **FINANCIAL ADVISOR**

Acacia Financial Group, Inc., Marlton, New Jersey, has served as financial advisor to the Commission with respect to the issuance of the Series 2017A Bonds (the "Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The



Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **RATING**

Moody's Investors Service Inc. ("Moody's") has assigned its rating to the Series 2017A Bonds of "Aa2".

Explanations of the significance of such bond rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Such bond rating expresses only the view of Moody's, and an explanation of the significance of the rating may be obtained from Moody's. There is no assurance that such bond rating will continue for any period of time or that it will not be revised or withdrawn entirely by Moody's, if in the judgment of Moody's, circumstances so warrant. Any revision or withdrawal of such rating may have an adverse effect on the marketability and market price of the Series 2017A Bonds.

## **SECONDARY MARKET DISCLOSURE**

### **The County**

In accordance with the provisions 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, the County, as an Obligated Borrower (as hereinafter defined) and for purposes of the County Guaranty, and the Commission will, prior to the issuance of the Series 2017A Bonds, enter into an agreement (the "County Continuing Disclosure Agreement") with TD Bank, National Association, as dissemination agent (the "Dissemination Agent").

The County has agreed pursuant to the provisions of the County Continuing Disclosure Agreement to provide certain financial information and operating data relating to the County (collectively, the "County Annual Information") by no later than nine months after the end of the fiscal year of the County, commencing with the fiscal year ending December 31, 2017, to the Municipal Security Rulemaking Board's (the "MSRB") Electronic Municipal Market Access System ("EMMA") and as described in the County Continuing Disclosure Agreement.

The County Annual Information shall include: (i) a copy of the annual financial statements of the County prepared in accordance with generally accepted accounting principles applicable to governmental units and prepared in accordance with the standards of the Governmental Accounting Standards Boards and requirements of the Division of Local Governmental Services in the State Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements, and audited by a certified public accountant, or unaudited financial statements, if audited financial statements are not available (audited financial statements will subsequently be submitted when available); and (ii) certain annual financial information and operating data generally consistent with certain information contained in APPENDICES A and B hereto. Copies of the County Annual Information may be obtained, upon request, from the County.

Within the past five years, the County failed to file notice of a County bond rating recalibration in April 2010 by Moody's Investors Service to "Aa2" from "Aa3" with the MSRB

through its EMMA system for previously issued general obligation bonds of the County. Since 2007, there have been a large number of rating actions reported by Moody's Investors Service and S&P Global Ratings affecting the municipal bond insurance companies. The County has filed a notice of bond insurance related rating changes affecting certain of its general obligation bonds even though there has been widespread knowledge of these rating actions. In addition, the select financial/operating data and annual audits of the County for the year 2011 had not been uniformly uploaded to all applicable CUSIPs for outstanding County general obligation bond issues and revenue bond issues of the Commission for which the County has secondary market disclosure obligations. As of the date of this Official Statement, the County is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12.

### **The Commission**

The Commission has also covenanted in the County Continuing Disclosure Agreement and each Obligated Participant Continuing Disclosure Agreement (as hereinafter defined) to, in a timely manner not in excess of ten (10) business days, deliver to the MSRB notice of any of the following events (the "Listed Events") with respect to the Series 2017A Bonds:

- (i) Principal or interest payment delinquencies on the Series 2017A Bonds.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) 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 of determinations with respect to the tax status of the Series 2017A Bonds, or other material events affecting the tax status of the Series 2017A Bonds.
- (vii) Modifications to the rights of Series 2017A Bondholders, if material.
- (viii) Series 2017A Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2017A Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the County.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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.

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Within the past five years the Commission has failed to timely file certain financial information and operating data (the “Commission Annual Information”) for the 2011 fiscal year with the MSRB through EMMA for previously issued obligations of the Commission and such Commission Annual Information did not include certain required information related to the historical operations of the Bridge System. As of the date of this Official Statement, the Commission is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12.

### **The Obligated Borrowers**

Pursuant to provisions of an agreement in the same form as the County Continuing Disclosure Agreement between the Dissemination Agent and those Borrowers (the “Borrower Continuing Disclosure Agreement”) who meet the criteria described in the following paragraph (each, an “Obligated Borrower”), each Obligated Borrower has undertaken to furnish the Dissemination Agent with Annual Information relating to such Obligated Borrower substantially similar in scope to, and in the same manner as, that required in the County Continuing Disclosure Agreement.

The Obligated Borrowers are those Borrowers which are scheduled to make Loan Repayments with respect to their respective Borrower Bonds in any one calendar year which equal or exceed ten percent (10%) of the debt service scheduled to be paid with respect to any Series of the Series 2017A Bonds in such calendar year (the “Obligated Payments Threshold”). A Borrower shall only be deemed an Obligated Borrower for those years in which it meets the Obligated Payments Threshold and its continuing disclosure obligations will terminate after the Obligated Payments Threshold is no longer met. Upon issuance of the Series 2017A Bonds, the Obligated Borrowers are the County, the Township of Cinnaminson, City of Bordentown, Township of Evesham, Township of Riverside, Township of Maple Shade and the Township of Delran. The County shall remain an Obligated Borrower for as long as the Series 2017A Bonds are outstanding by virtue of the County Guaranty relating to the payment of the Series 2017A Bonds. Certain economic and demographic information for the Township of Cinnaminson, City of Bordentown, Township of Evesham, Township of Riverside, Township of Maple Shade and the Township of Delran is included in Appendix C hereto.

Within the last five years Bordentown failed to timely file its audits in 2011, 2012 and 2015 and its operating data for the 2011-2015 fiscal years. As of the date of this Official Statement, Bordentown is in compliance in all material respects with all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12 and Bordentown has engaged a dissemination agent for the purpose of complying with future filings required by Rule 15c2-12.

In 2005, 2007 and 2009, Cinnaminson was a participant in governmental pooled loan programs organized by the Commission. Under each transaction, Cinnaminson was an Obligated

Borrower and was required to file, or cause to be filed, an annual audit and an abstract of certain financial and demographic data similar to the data that appeared in the Commission's Official Statement for each pool, dated respectively December 22, 2005, December 20, 2007 and July 29, 2009. With the exception of 2014, Cinnaminson failed to file such information on a timely basis in a manner that would allow the owners of the Commission's bonds to locate such information. To remedy this situation, Cinnaminson filed each annual audit and a consolidated abstract of annual financial and demographic data for calendar years 2002 through 2009 and an additional report with the same information for calendar years 2010 through 2014. These reports were posted to EMMA under the CUSIPS for the respective Commission bonds outstanding, along with failure to file notices. Cinnaminson has engaged a dissemination agent for the purpose of complying with future required filings.

Within the last five years Delran previously failed to file, in a timely manner, under previous filing requirements, its audits and operating data for the 2011-2015 fiscal years. As of the date of this Official Statement, late filings and failure to file notices in connection with such untimely filings have since been filed with EMMA. In 2015 Delran appointed Phoenix Advisors, LLC to serve as their disclosure agent.

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

For the Evesham Bonds, Evesham filed annual audits on EMMA for the years 2009 through 2015 in a timely manner. Additionally, it filed annual financial and operating data on the EMMA for the years 2010 through 2015. Evesham also filed a material event notice for its 2005 and 2010 Evesham Bonds relating to a downgrade by Moody's Investors Service ("Moody's"). However, the Evesham did not file a material event notice related to an April 1, 2010 recalibration of its credit rating by Moody's. A notice was filed on September 24, 2014. Evesham has also failed to file notices of rating changes on a series of bonds when such changes were the result of a rating down grade of a bond insurer which insured such bonds but on September 24, 2014, the Evesham made a consolidated filing on EMMA covering these rating changes for its bonds which were insured by a company that experienced a rating change.

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

Within the last five years, Maple Shade has materially complied with all filings required by Rule 15c2-12.

Within the last five years Riverside has failed to timely file its audits and operating data for the 2011-2015 fiscal years and notice of a rating change to a bond insurer in 2013. However, as of the date of this Official Statement, Riverside is in compliance in all material respects with

all existing undertakings to provide continuing disclosure in accordance with the provisions of Rule 15c2-12 and Riverside anticipates hiring a dissemination agent for the purpose of complying with future filings required by Rule 15c2-12.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12. See Appendix E hereto for the form of continuing disclosure agreement by and among the Commission, the Obligated Borrowers, including the County, and the Trustee, as dissemination agent.

### **INDEPENDENT AUDITORS**

The Financial Statements of the County as of December 31, 2016, and for the year then ended, included in Appendix A to this Official Statement, have been compiled by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their compilation report appearing in Appendix A to this Official Statement. The Financial Statements of the County as of December 31 2015, 2014, 2013, 2012 and 2011 and for the years then ended, included in Appendix A to this Official Statement, have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their auditor's report appearing in Appendix A to this Official Statement.

### **APPENDICES**

Appendix A to this Official Statement consists of Compiled and Audited Financial Statements of the County. A copy of the complete Report of Audit of Financial Statements of the County may be obtained upon request to the office of the County Treasurer. The Commission has not confirmed the accuracy or completeness of said information, and the Commission disclaims any responsibility for the accuracy or completeness thereof.

Appendix B to this Official Statement consists of certain general and financial information concerning the County which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. The Commission has not confirmed the accuracy or completeness of said information, and the Commission disclaims any responsibility for the accuracy or completeness thereof.

Appendix C to this Official Statement consists of certain economic and demographic information for the Obligated Borrowers, which information has been provided by the Obligated Borrower.

Appendix D to this Official Statement consists of a form of continuing disclosure agreement by and among the Commission, the Obligated Borrowers and the Trustee, as dissemination agent.

Appendix E to this Official Statement consists of the form of approving legal opinion of Capehart Scatchard, P.A., Bond Counsel to the Commission. Copies of such opinion will be available at the time of delivery of the Series 2017A Bonds.

## MISCELLANEOUS

Certain portions of the information herein are summaries of certain portions of the Bond Resolution, the Borrower Purchase Agreements, the Series 2017A Bonds, the Borrower Bonds and the County Guaranty. Such summaries not purporting to be quoted in full are descriptions of certain provisions and are in all respects subject to and qualified in their entirety by express reference to the provisions of the complete documents in their final form, copies of which will be on file and available for examination at the offices of the Commission or the Trustee.

All information, estimates and assumptions herein have been obtained from officials of the Commission, the County and the Borrowers, other governmental bodies, trade and statistical services and other sources that are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized.

This Official Statement is not to be construed as a contract or agreement between the Commission and the Underwriter or the purchaser or owner of any of the Series 2017A Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrowers, the County or the Commission since the date hereof.

The execution and delivery of this Official Statement has been approved and authorized by the Commission.

BURLINGTON COUNTY BRIDGE  
COMMISSION

By: \_\_\_\_\_  
JOHN D. JEFFERS  
Executive Director

Dated: March \_\_, 2017

**APPENDIX A**

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



## **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Honorable Director and  
Members of the Board of Chosen Freeholders  
County of Burlington  
Mount Holly, New Jersey 08060

Management is responsible for the accompanying financial statements of the County of Burlington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2016 and the related statements 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 County'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/ Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
February 23, 2017



**COUNTY OF BURLINGTON****CURRENT FUND****Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis****As of December 31, 2016**

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**Assets**

Regular Fund:	
Cash	\$ 32,912,182
Receivables with Full Reserves:	
Accounts Receivable--Other	<u>190,436</u>
Total Regular Fund	<u>33,102,618</u>
 Federal and State Grant Fund:	
Cash	1,128,619
Accounts Receivable:	
Federal and State Funds	14,898,546
Interfunds Receivable	<u>7,717</u>
Total Federal and State Grant Fund	<u>16,034,882</u>
	<u><u>\$ 49,137,500</u></u>

**Liabilities, Reserves and Fund Balance**

Regular Fund:	
Liabilities	
Appropriation Reserves	\$ 10,861,403
Reserve for Encumbrances	1,900,805
Other Payables	496,211
Interfund Loans Payable	2,250,663
Reserves for:	
Other Reserves	<u>54,698</u>
Total Liabilities	15,563,781
 Reserve for Receivables	190,436
Fund Balance	<u>17,348,401</u>
Total Regular Fund	<u>33,102,618</u>
 Federal and State Grant Fund:	
Federal and State Funds:	
Unappropriated	32,650
Appropriated	13,620,556
Reserve for Encumbrances	<u>2,381,676</u>
Total Federal and State Grant Fund	<u>16,034,882</u>
	<u><u>\$ 49,137,500</u></u>

**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Operations and Changes in Fund Balance -- Regulatory Basis  
For the Year Ended December 31, 2016

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**Revenue Realized:**

Current Tax Collections	\$ 155,500,000
Miscellaneous Revenue Anticipated	49,387,470
Non Budget Revenue	760,404
Other Credits to Income	2,840,065
Fund Balance Utilized	<u>6,040,000</u>

Total Income	<u>214,527,938</u>
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**Expenditures:**

Operations	161,898,580
Debt Service	32,185,625
Deferred Charges and Statutory Expenditures	15,156,476
Other Expenditures	<u>7,717</u>

Total Expenditures	<u>209,248,398</u>
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Excess in Revenue	5,279,540
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Fund Balance, January 1	<u>18,108,860</u>
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23,388,401

Decreased by:

Utilized as Revenue	<u>6,040,000</u>
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Fund Balance, December 31	<u><u>\$ 17,348,401</u></u>
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**COUNTY OF BURLINGTON**  
**TRUST FUND**  
Statement of Assets, Liabilities, and Reserves -- Regulatory Basis  
As of December 31, 2016

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**Assets**

Trust Fund:	
Cash	\$ 44,530,574
Interfunds Receivable	7,549,558
Other Accounts Receivable	<u>25,513,466</u>
	<u>\$ 77,593,598</u>

**Liabilities and Reserves**

Trust Fund:	
Reserve for Special Funds and Receivables	<u>\$ 77,593,598</u>
	<u>\$ 77,593,598</u>

**COUNTY OF BURLINGTON**  
**GENERAL CAPITAL FUND**

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

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**Assets**

Cash	\$ 20,890,075
Investments	18,643,609
Due from State of New Jersey	1,705,345
Due from Trustee for Leases	84,180,538
Grants Receivable	27,700,635
Deferred Charges to Future Taxation:	
Funded	203,504,645
Unfunded	142,501,078
Amounts to be Provided for Retirement of Obligations Under Capital Leases	190,197,900
	<u>\$ 689,323,824</u>

**Liabilities, Reserves and Fund Balance**

Serial Bonds	\$ 198,023,001
Obligation Under Capital Leases	190,197,900
Bond Anticipation Notes	64,074,000
Loans Payable	4,771,030
State of New Jersey--Green Acres Loans	710,614
Improvement Authorizations:	
Funded	10,678,084
Unfunded	53,466,106
Lease Authorization	93,801,055
Capital Improvement Fund	172,848
Due to State of New Jersey	209,293
Interfunds Payable	5,318,337
Reserve for Payment of Capital Leases	2,960,878
Reserve for Payment of Bonds and Notes	1,843,165
Installment Purchase Agreement Notes	44,201,000
Reserve to Pay I.P.A. Note Principal	18,545,474
Fund Balance	351,039
	<u>\$ 689,323,824</u>

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

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<u><b>Assets</b></u>	
Operating Fund:	
Cash	\$ 27,231,018
Interfunds Receivable	<u>3,974,088</u>
	31,205,106
Receivables with Full Reserves:	
Consumer Accounts Receivable	<u>2,465,036</u>
Total Operating Fund	<u>33,670,142</u>
Capital Fund:	
Cash	12,473,652
Fixed Capital	199,227,272
Fixed Capital Authorized and Uncompleted	62,465,000
Amount to be Provided for Retirement of Obligations Under Capital Leases	29,789,000
Due from TD Bank, N.A. Trustee for BCBC	<u>850,103</u>
Total Capital Fund	<u>304,805,027</u>
	<u><u>\$ 338,475,169</u></u>

(Continued)

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis  
As of December 31, 2016

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**Liabilities, Reserves and Fund Balance**

Operating Fund:	
Appropriation Reserves	\$ 1,264,412
Reserve for Encumbrances	3,700,614
Accrued Interest on Bonds	658,071
Reserves for:	
Host Benefit Fees & Recycling Tax Payable	511,843
Hazardous Waste Facility	64,972
Equipment Replacement	706,548
Landfill Closure Trust Fund	16,880,566
Recycling Tax Payable	138,751
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000
Escrow Deposits	206,880
Self Insurance	500,000
	<hr/>
	24,732,657
Reserve for Receivables	2,465,036
Fund Balance	6,472,449
	<hr/>
Total Operating Fund	33,670,142
	<hr/>
Serial Bonds	39,090,000
Bond Anticipation Notes	29,026,000
Obligations Under Solid Waste Leases	29,789,000
Interfund Loans Payable	3,974,088
Improvement Authorizations	2,141,974
Lease Authorizations	978,079
Contracts Payable	859,396
Capital Improvement Fund	47,000
Reserves for:	
Amortization	173,903,321
Deferred Amortization	13,479,218
Reserve to pay Bonds and Leases	11,145,418
Fund Balance	371,534
	<hr/>
Total Capital Fund	304,805,027
	<hr/>
	\$ 338,475,169
	<hr/>

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2016

**Revenue Realized:**

Fund Balance Realized	\$ 3,549,660
Solid Waste Utility Fees	23,842,279
Sludge Disposal & Household Hazardous Waste Fees	2,327,550
Miscellaneous Revenue Anticipated	4,427,413
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,367,095
	<u>35,513,998</u>
 Total Income	 <u>35,513,998</u>

**Expenditures:**

Operating	17,402,061
Debt Service	11,339,892
Deferred Charges and Statutory Expenditures	575,319
	<u>29,317,272</u>

Total Expenditures	<u>29,317,272</u>
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Excess in Revenue	6,196,726
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Fund Balance, Jan. 1	<u>3,825,383</u>
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	10,022,109
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Utilized as Revenue	<u>3,549,660</u>
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Fund Balance, Dec. 31	<u><u>\$ 6,472,449</u></u>
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**COUNTY OF BURLINGTON**  
**Selected Information – Substantially All Disclosures Required**  
**By the Regulatory Basis of Accounting Have Been Omitted**  
**For the Year Ended December 31, 2016**

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

**Description of Financial Reporting Entity** - The County of Burlington was incorporated in 1694. It is located in South Central New Jersey and is, in area, the largest county of the state, covering 827 square miles. Mt. Holly, the County seat, is approximately 25 miles from downtown Philadelphia and is approximately 90 miles from New York City.

The County's geographic makeup consists of fifty-four percent forest space, twenty-five percent farmland space, seventeen percent communities and four percent federally owned land. The New Jersey Turnpike travels through the center of the County and there are many major transportation arteries. There are twenty-six active industrial / office parks located throughout the County and their tenants are representatives of the major industries located in the United States.

In Burlington County there are forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of Burlington according to the 2015 census estimate is 450,226.

The County government operates under a five member Board of Chosen Freeholders, elected at-large by the voters of the County. A Freeholder, under old English rule, was a person who owned property outright, free of debt, and therefore was deemed to be a leading citizen, eligible for membership on the governing body. Under present form of government, the property rule as a qualification for holding office has been abolished. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting of each year. The Freeholders have both administrative and policy-making powers.

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

Burlington County Library Commission  
5 Pioneer Boulevard  
Westampton, New Jersey 08060

Rowan College at Burlington County  
Pemberton-Browns Mill Road  
Pemberton, New Jersey 08068

Burlington County Bridge Commission  
1300 State Highway Route 73 North  
Palmyra, New Jersey 08065

Burlington County Institute of Technology  
695 Woodlane Road  
Westampton, New Jersey 08060

Burlington County Board of Social Services  
795 Woodlane Road  
Westampton, New Jersey 08060

Burlington County Special Services School  
District  
5 Pioneer Boulevard  
Westampton, New Jersey 08060

Burlington County Insurance Commission  
49 Rancocas Road  
Mount Holly, New Jersey 08060

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



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

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

**Solid Waste Utility Operating and Capital Funds** - The Solid Waste Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the County owned Resource Recovery Complex.

**Bond and Interest Fund** - The Bond and Interest Fund accounts for the debt service on bearer bond debt issues.

**Budgets and Budgetary Accounting** - The County of Burlington must adopt an annual budget for its current, open space trust and solid waste 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 county budget no later than January 26 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 county. The public hearing must not be held less than eighteen 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 county budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

**Cash, Cash Equivalents and Investments (Cont'd)** - 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 utilities 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 County of Burlington requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the County's basic financial statements.

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

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

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

**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.

**Fund Balance** - Fund Balances included in the current fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the County's budget. Other amounts that are due the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

**County Taxes** - Every municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Operations for every municipality are charged for the amount due 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 for every municipality are 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.

**Library Taxes** - The County is responsible for levying, collecting, and remitting library taxes for County of Burlington Library Commission. The collection and remission of these funds is presented on a Current Fund Supplemental Exhibit.

**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 recorded on the accrual basis.

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

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

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Solid Waste Utility Capital Funds.

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

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

**AUDITED FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Director and  
Members of the County Board of Chosen Freeholders  
County of Burlington  
Mount Holly, New Jersey 08060

### ***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 County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 of the financial statements, the financial statements are prepared by the County 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 County of Burlington, State of New Jersey, as of December 31, 2015, 2014, 2013, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

For the years ended December 31, 2013, 2012 and 2011, the scope of our audit did not include the County of Burlington's Prisoners Welfare Fund of the Jail or the Surrogate's Custodial Accounts for Minors. Our audit did not include verification of claims or auditing procedures required to determine that expenditures complied with legal provisions of any agreements for the Health Benefit Self-Insurance Fund, the Worker's Compensation Self-Insurance Fund and the General Liability Self-Insurance Fund. Procedures were limited to the reconciliation of cash. Also, the adequacy of these funds was not determined.

### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effect of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, 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 County of Burlington, State of New Jersey, as of December 31, 2013, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

**Emphasis of Matter***Adoption of New Accounting Principles*

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

Respectfully submitted,

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

/s/ Henry J. Ludwigsen  
Certified Public Accountant  
Registered Municipal Accountant

Woodbury, New Jersey  
June 30, 2016



**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

<u>Assets</u>	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Regular Fund:					
Cash	\$ 32,312,908	\$ 37,931,991	\$ 43,735,961	\$ 29,424,517	\$ 19,201,717
Receivables with Full Reserves:					
Revenue Accounts Receivable	38,059	39,094	4,999	32,074	297,063
Accounts Receivable--Other	410,463	386,902	1,064,707	894,607	450,000
Interfunds Receivable		3,236	516,146		605,646
Total Regular Fund	32,761,430	38,361,223	45,321,813	30,351,198	20,554,426
Federal and State Grant Fund:					
Cash	497,350	1,339,969	5,690,771	5,509,126	3,976,573
Accounts Receivable:					
Federal and State Funds	14,986,362	16,120,772	18,671,968	15,990,973	16,564,120
Interfunds Receivable	536,787	203,117	147,350	402,310	
Total Federal and State Grant Fund	16,020,498	17,663,858	24,510,089	21,902,409	20,540,693
	\$ 48,781,928	\$ 56,025,081	\$ 69,831,902	\$ 52,253,607	\$ 41,095,119

(Continued)

**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Regular Fund:					
Liabilities					
Appropriation Reserves	\$ 10,352,998	\$ 8,056,405	\$ 10,021,501	\$ 6,533,537	\$ 3,587,573
Reserve for Encumbrances	1,788,381	4,351,324	2,121,578	3,231,646	7,920,273
Other Payables	462,079	463,776	41,664	923,065	42,371
Interfund Loans Payable	1,548,512	11,089,747	17,581,437	8,612,306	212,704
Reserves for:					
Estimated Arbitrage Earnings on Tax-Exempt Obligations					103,789
Other Reserves	52,078	52,078	52,960	69,056	62,845
Total Liabilities	14,204,048	24,013,331	29,819,140	19,369,610	11,929,555
Reserve for Receivables	448,522	429,231	1,585,852	926,681	1,352,709
Fund Balance	18,108,860	13,918,661	13,916,821	10,054,907	7,272,162
Total Regular Fund	32,761,430	38,361,223	45,321,813	30,351,198	20,554,426
Federal and State Grant Fund:					
Federal and State Funds:					
Unappropriated	48,714	421,879	112,801	145,061	35,077
Appropriated	14,020,802	11,744,066	19,567,682	16,979,566	11,903,080
Interfund Loans Payable		3,236	925,131	506,145	585,637
Reserve for Encumbrances	1,950,983	5,494,677	3,904,475	4,271,637	8,016,899
Total Federal and State Grant Fund	16,020,498	17,663,858	24,510,089	21,902,409	20,540,693
	\$ 48,781,928	\$ 56,025,081	\$ 69,831,902	\$ 52,253,607	\$ 41,095,119

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

**COUNTY OF BURLINGTON**  
**CURRENT FUND**  
Statement of Operations and Changes in Fund Balance -- Regulatory Basis

	<b>For the Years Ended December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Revenue Realized:</b>					
Current Tax Collections	\$ 155,523,014	\$ 152,523,014	\$ 153,082,778	\$ 148,049,819	\$ 154,250,000
Miscellaneous Revenue Anticipated	45,601,109	42,368,635	52,817,220	67,285,642	67,606,740
Non Budget Revenue	1,348,256	1,410,843	1,170,462	732,956	1,354,427
Other Credits to Income	3,957,714	2,417,313	1,200,464	1,905,265	4,227,418
Fund Balance Utilized	2,390,000	2,392,782			8,000,000
Total Income	208,820,093	201,112,586	208,270,924	217,973,681	235,438,585
<b>Expenditures and Encumbrances:</b>					
Operations	155,126,793	152,412,469	158,221,893	167,521,963	184,173,234
Capital Improvements				312,000	900,000
Debt Service	31,911,469	30,598,988	28,539,937	28,870,700	28,625,906
Deferred Charges and Statutory Expenditures	15,177,539	15,489,706	16,066,327	17,215,390	18,816,193
Other Expenditures	530				28,470
Creation of Reserves	23,562	216,802	1,580,853	1,270,884	1,039,765
Total Expenditures and Encumbrances	202,239,894	198,717,964	204,409,010	215,190,936	233,583,568
Excess in Revenue	6,580,199	2,394,622	3,861,914	2,782,745	1,855,017
Fund Balance, January 1	13,918,661	13,916,821	10,054,907	7,272,162	13,417,145
	20,498,860	16,311,443	13,916,821	10,054,907	15,272,162
Decreased by:					
Utilized as Revenue	2,390,000	2,392,782			8,000,000
Fund Balance, December 31	\$ 18,108,860	\$ 13,918,661	\$ 13,916,821	\$ 10,054,907	\$ 7,272,162

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

**COUNTY OF BURLINGTON**  
**TRUST FUND**  
Statement of Assets, Liabilities, and Reserves -- Regulatory Basis

		As of December 31,									
		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>					
<u>Assets</u>											
Trust Fund:											
Cash	\$	42,873,850	\$	31,631,359	\$	19,716,349	\$	61,126,664	\$	69,507,089	
Interfunds Receivable		10,410,591		20,191,995		48,219,871		14,404,319		2,960,504	
Other Accounts Receivable		25,232,700		25,010,019		24,627,605		24,546,439		24,443,575	
		<hr/>									
		\$	78,517,141	\$	76,833,373	\$	92,563,825	\$	100,077,422	\$	96,911,168
		<hr/>									
<u>Liabilities and Reserves</u>											
Trust Fund:											
Other Accounts Payable					\$	258,708	\$	258,708	\$	255	
Interfund Loans Payable								131,179			
Reserve for Special Funds and Receivables		\$	78,517,141	\$	76,833,373		92,305,117		99,687,536		96,910,913
		<hr/>									
		\$	78,517,141	\$	76,833,373	\$	92,563,825	\$	100,077,422	\$	96,911,168
		<hr/>									

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

**COUNTY OF BURLINGTON**  
**GENERAL CAPITAL FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>					
Cash and Investments	\$ 18,893,609	\$ 18,581,542	\$ 18,507,999	\$ 18,814,678	\$ 22,621,008
Due from Bank		85	85	85	85
Due from State of New Jersey				3,016,189	4,338,894
Due from Trustee for Leases	109,256,436	131,191,289	106,000,000		
Interfunds Receivable			1,210,818	1,609,998	85,225
Grants Receivable	37,717,590	20,511,377	893,119	3,200,000	3,200,000
Deferred Charges to Future Taxation:					
Funded	217,664,263	208,889,907	218,430,824	158,705,187	175,386,005
Unfunded	94,296,138	125,924,985	126,807,706	208,186,359	218,291,638
Amounts to be Provided for Retirement of Obligations Under Capital Leases	196,307,900	179,851,900	143,330,000	40,616,000	43,794,000
	<u>\$ 674,135,936</u>	<u>\$ 684,951,086</u>	<u>\$ 615,180,551</u>	<u>\$ 434,148,496</u>	<u>\$ 467,716,855</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Serial Bonds	\$ 213,199,005	\$ 203,774,006	\$ 215,570,006	\$ 155,342,006	\$ 175,386,005
Obligation Under Capital Leases	196,307,900	179,851,900	143,330,000	40,616,000	43,794,000
Bond Anticipation Notes	29,225,584	56,140,348	30,815,426	107,933,166	84,242,250
Loans Payable	3,524,954	3,950,432	1,474,621	1,760,605	2,038,345
State of New Jersey--Green Acres Loans	940,304	1,165,469	1,386,197	1,602,575	1,814,690
Improvement Authorizations:					
Funded	8,108,998	22,005,137	2,547,143	1,987,419	5,963,859
Unfunded	15,639,241	17,104,571	18,835,404	28,481,286	57,377,442
Lease Authorization	107,254,566	92,920,308	82,788,864		
Capital Improvement Fund	500,348	500,348	500,348	500,348	188,348
Contracts Payable	20,032,520	23,967,677	12,688,953	20,137,209	28,079,493
Due to State of New Jersey	209,293	209,378	209,378	209,378	209,378
Interfunds Payable	9,410,591	10,162,998	32,264,075	7,898,777	2,685,955
Reserve for Payment of Capital Leases	2,804,494	6,093,708	5,393,499		
Reserve for Payment of Bonds and Notes	2,922,953	2,976,789	2,479,009	1,498,525	302,002
Installment Purchase Agreement Notes	45,137,000	45,383,000	46,384,997	47,097,141	46,967,712
Reserve to Pay I.P.A. Note Principal	18,545,474	18,389,194	18,389,194	18,389,194	17,683,493
Fund Balance	372,711	355,823	123,437	694,865	983,883
	<u>\$ 674,135,936</u>	<u>\$ 684,951,086</u>	<u>\$ 615,180,551</u>	<u>\$ 434,148,496</u>	<u>\$ 467,716,855</u>

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

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>					
Operating Fund:					
Cash and Investments	\$ 23,442,088	\$ 20,932,209	\$ 23,245,115	\$ 22,217,644	\$ 26,307,122
Interfunds Receivable	3,974,088	7,086,200	5,743,590	3,771,521	161,433
	27,416,176	28,018,409	28,988,705	25,989,165	26,468,555
Receivables with Full Reserves:					
Consumer Accounts Receivable	2,465,036	2,477,667	2,433,078	3,035,999	2,167,767
Total Operating Fund	29,881,212	30,496,077	31,421,783	29,025,164	28,636,322
Capital Fund:					
Cash and Investments	5,628,803	4,511,328	520,328	640,329	238,682
Fixed Capital	199,227,272	30,769,210	30,769,210	30,769,210	30,769,210
Fixed Capital Authorized and Uncompleted	62,465,000	224,043,000	221,543,000	217,243,000	209,793,000
Amount to be Provided for Retirement of Obligations					
Under Capital Leases	32,395,000	34,390,000	36,385,000	39,671,000	40,107,000
Interfunds Receivable				520,000	
Due from TD Bank, N.A. Trustee for BCBC	850,103	850,103	2,372,282	3,754,577	6,860,798
Total Capital Fund	300,566,178	294,563,641	291,589,820	292,598,116	287,768,690
	<u>\$ 330,447,390</u>	<u>\$ 325,059,718</u>	<u>\$ 323,011,603</u>	<u>\$ 321,623,280</u>	<u>\$ 316,405,012</u>

(Continued)

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis

	As of December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>					
Operating Fund:					
Appropriation Reserves	\$ 1,004,615	\$ 857,176	\$ 1,005,985	\$ 1,011,763	\$ 1,454,707
Reserve for Encumbrances	3,343,835	3,372,062	3,140,282	2,050,220	1,614,593
Accrued Interest on Bonds	516,099	468,335	424,550	433,853	473,219
Prepaid Deposits	170,028	155,426	146,925	143,764	77,666
Interfunds Payable			241,383	241,383	147,070
Reserves for:					
State of New Jersey Sanitary Landfill Taxes Payable	13,606	13,395	12,728	12,296	8,870
County Health Inspection Taxes Payable	8,980	8,840	8,401	17,437	5,854
Host Benefit Fees & Recycling Tax Payable	576,599	590,070	819,658	718,044	626,781
Hazardous Waste Facility	64,972	64,972	64,972	64,972	64,972
Equipment Replacement	721,827	736,395	813,414	822,892	872,552
Landfill Closure Trust Fund	16,353,604	15,832,017	15,446,359	15,020,425	14,234,376
Recycling Tax Payable	216,630	213,234			
Estimated Arbitrage Earnings on Tax- Exempt Obligations	100,000	100,000	100,000	100,000	100,000
State Grants		19,819	77,257	362,031	766,479
Self Insurance	500,000	500,000	500,000	500,000	500,000
	23,590,793	22,931,741	22,801,914	21,499,080	20,947,139
Reserve for Receivables	2,465,036	2,477,667	2,433,078	3,035,999	2,167,767
Fund Balance	3,825,383	5,086,668	6,186,791	4,490,085	5,521,416
<b>Total Operating Fund</b>	<b>29,881,212</b>	<b>30,496,077</b>	<b>31,421,783</b>	<b>29,025,164</b>	<b>28,636,322</b>
Serial Bonds	42,535,000	45,881,000	49,163,000	54,415,000	57,414,000
Bond Anticipation Notes	24,443,400	18,693,400			
Loans Payable	2,021,092	3,970,355	5,855,350	8,081,712	10,440,161
Obligations Under Solid Waste Leases	32,395,000	34,390,000	36,385,000	39,671,000	40,107,000
Interfund Loans Payable	3,974,088	6,561,088	5,158,852	3,330,082	180,411
Improvement Authorizations	8,995,048	3,400,821	18,621,378	17,175,683	10,143,823
Statement of Lease Authorizations	1,050,191	976,211	1,573,240	3,121,158	4,384,672
Contracts Payable	2,198,046	3,063,841	2,428,745	1,769,384	5,255,647
Capital Improvement Fund	47,000	47,000	47,000	47,000	47,000
Reserves for:					
Amortization	169,398,321	30,769,210	30,769,210	30,769,210	30,769,210
Deferred Amortization	12,268,126	145,601,974	140,434,979	132,956,617	127,599,168
Reserve to pay Bonds and Notes	875,203	1,093,403	1,153,066	1,261,270	1,427,583
Fund Balance	365,663	115,338			15
<b>Total Capital Fund</b>	<b>300,566,178</b>	<b>294,563,641</b>	<b>291,589,820</b>	<b>292,598,116</b>	<b>287,768,690</b>
	<b>\$ 330,447,390</b>	<b>\$ 325,059,718</b>	<b>\$ 323,011,603</b>	<b>\$ 321,623,280</b>	<b>\$ 316,405,012</b>

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

**COUNTY OF BURLINGTON**  
**SOLID WASTE UTILITY FUND**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended December 31,				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenue Realized:</b>					
Fund Balance Realized	\$ 5,086,000	\$ 4,114,139	\$ 4,490,000	\$ 5,521,156	\$ 2,795,898
Solid Waste Utility Fees	22,378,118	22,200,623	22,292,932	18,151,107	15,775,329
Sludge Disposal & Household Hazardous Waste Fees	2,623,389	2,465,186	2,669,992	2,460,783	2,541,470
Miscellaneous Revenue Anticipated	2,530,026	2,290,618	2,081,166	2,257,286	176,137
State Grants Anticipated					606,129
State of New Jersey Subsidy					2,500,000
Reserve for Debt Service					615,000
Reserve for Self Insurance					3,434,820
Solid Waste Capital Fund Balance				15	113,369
BPU Energy Credits					12,484
Sale of Electric					1,795,196
Other Income					411,774
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	1,190,883	1,301,123	1,486,303	1,399,714	1,030,800
<b>Total Income</b>	<b>33,808,415</b>	<b>32,371,689</b>	<b>33,020,393</b>	<b>29,790,061</b>	<b>31,808,406</b>
<b>Expenditures and Encumbrances:</b>					
Operating	18,479,494	17,927,239	17,840,890	15,900,243	15,177,561
Debt Service	11,173,522	11,106,234	8,687,797	9,104,993	10,835,108
Deferred Charges and Statutory Expenditures	330,684	324,200	305,000	295,000	282,200
Other					7,513
<b>Total Expenditures</b>	<b>29,983,700</b>	<b>29,357,673</b>	<b>26,833,687</b>	<b>25,300,236</b>	<b>26,302,382</b>
<b>Excess in Revenue</b>	<b>3,824,715</b>	<b>3,014,016</b>	<b>6,186,706</b>	<b>4,489,825</b>	<b>5,506,024</b>
<b>Fund Balance, Jan. 1</b>	<b>5,086,668</b>	<b>6,186,791</b>	<b>4,490,085</b>	<b>5,521,416</b>	<b>2,811,290</b>
	8,911,383	9,200,807	10,676,791	10,011,241	8,317,314
<b>Utilized as Revenue</b>	<b>5,086,000</b>	<b>4,114,139</b>	<b>4,490,000</b>	<b>5,521,156</b>	<b>2,795,898</b>
<b>Fund Balance, Dec. 31</b>	<b>\$ 3,825,383</b>	<b>\$ 5,086,668</b>	<b>\$ 6,186,791</b>	<b>\$ 4,490,085</b>	<b>\$ 5,521,416</b>

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



**COUNTY OF BURLINGTON**  
Notes to Financial Statements  
For the Year Ended December 31, 2015

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

**Description of Financial Reporting Entity** - The County of Burlington (hereafter referred to as the "County") was incorporated in 1694. It is located in South Central New Jersey and is, in area, the largest county of the state, covering 827 square miles. Mt. Holly, the County seat, is approximately 25 miles from downtown Philadelphia and is approximately 90 miles from New York City.

The County's geographic makeup consists of fifty-four percent forest space, twenty-five percent farmland space, seventeen percent communities and four percent federally owned land. The New Jersey Turnpike travels through the center of the County and there are many major transportation arteries. There are twenty-six active industrial / office parks located throughout the County and their tenants are representatives of the major industries located in the United States.

The County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. The population of the County of according to the 2015 census estimate is 450,226.

The County government operates under a five member Board of Chosen Freeholders, elected at-large by the voters of the County. A Freeholder, under old English rule, was a person who owned property outright, free of debt, and therefore was deemed to be a leading citizen, eligible for membership on the governing body. Under present form of government, the property rule as a qualification for holding office has been abolished. Each member is elected to a term of three years. A director and deputy director are selected from their membership at the first meeting of each year. The Freeholders have both administrative and policy-making powers.

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

Burlington County Library Commission  
5 Pioneer Boulevard  
Westampton, New Jersey 08060

Rowan College at Burlington County  
Pemberton-Browns Mill Road  
Pemberton, New Jersey 08068

Burlington County Bridge Commission  
1300 State Highway Route 73 North  
Palmyra, New Jersey 08065

Burlington County Institute of Technology  
695 Woodlane Road  
Westampton, New Jersey 08060

Burlington County Board of Social Services  
795 Woodlane Road  
Westampton, New Jersey 08060

Burlington County Special Services School District  
5 Pioneer Boulevard  
Westampton, New Jersey 08060

Burlington County Insurance Commission  
49 Rancocas Road  
Mount Holly, New Jersey 08060

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

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

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

**Solid Waste Utility Operating and Capital Funds** - The solid waste utility operating and capital funds account for the operations and acquisition of capital facilities of the County owned Resource Recovery Complex operations.

**Bond and Interest Account** - The bond and interest account is used to account for the accumulation of resources (mainly provided from current fund budget appropriations) for payment of principal and interest on matured debt.

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

**Budgets and Budgetary Accounting** - The County must adopt an annual budget for its current, open space/farmland/parks trust and solid waste 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 county budget no later than January 26 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 county. The public hearing must not be held less than eighteen 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 county budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

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

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

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

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

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the County's basic financial statements.

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

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

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

**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.

**Fund Balance** - Fund Balances included in the current fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the County's budget. Other amounts that are due the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

**County Taxes** - Every municipality within the County is responsible for levying, collecting and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations for every municipality are charged for the amount due 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 for every municipality are 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.

**Library Taxes** - The County is responsible for levying, collecting, and remitting library taxes for the Burlington County Library Commission.

**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 recorded on the accrual basis.

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

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

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds.

**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.

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

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

**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 County's deposits might not be recovered. Although the County 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 County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2015, the County had bank balances of \$115,877,213.96 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 114,828,776.43
Uninsured and Uncollateralized	<u>1,048,437.53</u>
Total	<u>\$ 115,877,213.96</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 County has no investment policy that would further limit its investment choices.

**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 County 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 County has no investment policy to limit its exposure to custodial credit risk. As of December 31, 2015, the County's investments were exposed to custodial credit risk as follows:

Uninsured and unregistered, with securities held by the the counterparty's trust department or agent in the County's name	\$ -
Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name	<u>34,970,000.92</u>
Total	<u><u>\$ 34,970,000.92</u></u>

As of December 31, 2015, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>	<u>Fair Value</u>
Money Market Funds	daily daily	\$ 47,448.09	\$ 47,448.09
US Treasury Strips	72.98 months average	18,643,608.69	34,446,159.76
US Treasury Notes	46.29 months average	14,460,710.66	14,402,351.65
US Treasury Inflation Indexed Bonds	57.81 months average	1,358,095.88	1,327,241.18
FDG Corp Fed Book	46.13 months average	460,137.60	484,135.60
Total		<u>\$ 34,970,000.92</u>	<u>\$ 50,707,336.28</u>

The weighted average maturity of the County's investment portfolio was 60.90 months as of December 31, 2015.

**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 County 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.

**Note 3: INVESTMENTS (CONT'D)**

**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 County has no investment policy that would further limit its exposure to credit risk. As of December 31, 2015, the County's investments had the following ratings:

<u>Investment</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
US Treasury Strips	AAA	Aaa
US Treasury Notes	AAA	Aaa
US Treasury Inflation Indexed Bonds	AAA	Aaa
FDG Corp Fed Book	AAA	Aaa

**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 County's investment policies place no limit on the amount the County may invest in any one issuer. More than 5.0% of the County's investments are in US Treasury Strips and US Treasury Notes. These investments represent 94.66% of the County's total investments. These investments are reported in the general capital (\$18,643,608.69) and utility operating (\$16,326,392.23) funds.

**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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County Tax Rate	<u>\$ 0.340</u>	<u>\$ 0.330</u>	<u>\$ 0.330</u>	<u>\$ 0.310</u>	<u>\$ 0.310</u>
County Library Tax Rate	<u>\$ 0.031</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>	<u>\$ 0.030</u>
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	<u>\$ 0.040</u>	<u>\$ 0.015</u>	<u>\$ 0.015</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2015	\$ 45,775,613,439
2014	45,777,005,659
2013	46,329,111,779
2012	48,206,959,031
2011	50,005,099,970

**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):

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 155,523,014	\$ 155,523,014	100.00%
2014	152,523,014	152,523,014	100.00%
2013	153,082,778	153,082,778	100.00%
2012	148,049,819	148,049,819	100.00%
2011	154,250,000	154,250,000	100.00%

**Note 5: SOLID WASTE UTILITY SERVICE CHARGES**

The following is a five-year comparison of solid waste utility service charges for the current and previous four calendar years.

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2015	\$ 2,477,667	\$ 24,988,875	\$ 27,466,542	\$ 25,001,507
2014	2,433,078	24,710,399	27,143,477	24,665,809
2013	3,035,999	24,360,003	27,396,002	24,962,924
2012	2,167,767	21,598,258	23,766,025	20,730,026
2011	2,305,767	18,301,820	20,607,587	18,439,819



**Note 6: FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 18,108,860	\$ 6,040,000 (A)	33.35%
2014	13,918,660	2,390,000	17.17%
2013	13,916,821	2,392,782	17.19%
2012	10,054,907	None	None
2011	7,272,162	None	None

(A) = per 2016 Introduced Budget

**Solid Waste Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 3,825,383	\$ 3,549,660 (A)	92.79%
2014	5,086,668	5,086,000	99.99%
2013	6,186,791	4,114,139	66.50%
2012	4,490,085	4,490,000	100.00%
2011	5,521,416	5,521,156	100.00%

(A) = per 2016 Introduced Budget

**Note 7: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 1,548,512
Federal and State Grant	\$ 536,787	
Trust - Other	10,410,591	
General Capital		9,410,591
Solid Waste Utility - Operating	3,974,088	
Solid Waste Utility - Capital		3,974,088
Bond and Interest	11,725	
	<u>\$ 14,933,191</u>	<u>\$ 14,933,191</u>

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

**Note 8: PENSION PLANS**

A substantial number of the County'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 County employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the County, 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 8: 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 County. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

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

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The County's contractually required contribution rate for the year ended December 31, 2015 was 12.29% of the County's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

**Public Employees' Retirement System (Cont'd)** – Based on the most recent PERS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$5,321,393.00, and was paid on April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the County's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$5,190,300.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$3,147,785.60.

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

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

The County's contractually required contribution rate for the year ended December 31, 2015 was 26.81% of the County's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the County's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$4,621,418.00, and was paid on April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the County's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$4,367,507.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$1,737,625.25.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2015 was 2.51% of the County's covered-employee payroll.

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

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2015 was \$432,309.00, and was paid on April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2014 was \$319,829.00, which was paid on April 1, 2015.

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

For the year ended December 31, 2015, employee contributions totaled \$25,594.23, and the County's contributions were \$20,091.03. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2015, the County's proportionate share of the PERS net pension liability was \$138,944,037.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the County's proportion was .6189596460%, which was a decrease of .0106401074% from its proportion measured as of June 30, 2014.

At December 31, 2015, the County's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date was \$5,397,708.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the County's contributions to PERS was \$5,321,393.00, and was paid on April 1, 2015.

**Police and Firemen's Retirement System** - At December 31, 2015, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

County's Proportionate Share of Net Pension Liability	\$ 94,699,679.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County	<u>8,304,844.00</u>
	<u>\$ 103,004,523.00</u>

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

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the County's proportion was .5685444057%, which was a decrease of .0000902637% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the County, was .5685444057%, which was a decrease of .0000902637% from its proportion, on-behalf of the County, measured as of June 30, 2014.

At December 31, 2015, the County's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$7,958,574.00. This expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the County's contributions to PFRS was \$4,621,418.00, and was paid on April 1, 2016.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the County, calculated by the plan as of the June 30, 2015 measurement date is \$1,035,909.00. This on-behalf expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2015, the County 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	\$ 3,314,716.00	\$ -	\$ 3,314,716.00	\$ -	\$ 816,814.00	\$ 816,814.00
Changes of Assumptions	14,921,480.00	17,483,913.00	32,405,393.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	2,233,953.00	1,648,164.00	3,882,117.00
Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions	-	303,213.00	303,213.00	16,866,043.00	1,367,815.00	18,233,858.00
County Contributions Subsequent to the Measurement Date	2,660,697.00	2,310,709.00	4,971,406.00	-	-	-
	<u>\$ 20,896,893.00</u>	<u>\$ 20,097,835.00</u>	<u>\$ 40,994,728.00</u>	<u>\$ 19,099,996.00</u>	<u>\$ 3,832,793.00</u>	<u>\$ 22,932,789.00</u>

\$2,660,697.00 and \$2,310,709.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the County's year end of December 31, 2015.

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

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The County will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

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



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

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

<b><u>Year Ending Dec 31,</u></b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2016	\$ (861,154.00)	\$ 2,597,269.00	\$ 1,736,115.00
2017	(861,154.00)	2,597,269.00	1,736,115.00
2018	(861,156.00)	2,597,270.00	1,736,114.00
2019	895,071.00	4,422,088.00	5,317,159.00
2020	824,593.00	1,740,437.00	2,565,030.00
	<u>\$ (863,800.00)</u>	<u>\$ 13,954,333.00</u>	<u>\$ 13,090,533.00</u>

**Actuarial Assumptions**

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

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

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

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

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

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

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

**Public Employees' Retirement System (PERS)** - The following presents the County's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
County's Proportionate Share of the Net Pension Liability	<u>\$172,690,438.00</u>	<u>\$138,944,037.00</u>	<u>\$110,651,299.00</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 County's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the County and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.79%)</b>	<b>Current Discount Rate (5.79%)</b>	<b>1% Increase (6.79%)</b>
County's Proportionate Share of the Net Pension Liability	\$124,844,242.00	\$ 94,699,679.00	\$ 70,119,481.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the County	<u>10,948,421.00</u>	<u>8,304,844.00</u>	<u>6,149,243.00</u>
	<u>\$135,792,663.00</u>	<u>\$103,004,523.00</u>	<u>\$ 76,268,724.00</u>

**Note 8: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

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

**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.6189596460%	0.6295997534%	0.7566111594%
County's Proportionate Share of the Net Pension Liability	\$ 138,944,037.00	\$ 117,878,293.00	\$ 144,603,426.00
County's Covered-Employee Payroll	\$ 42,428,812.00	\$ 43,421,180.00	\$ 52,119,380.00
County's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	327.48%	271.48%	277.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Contractually Required Contribution	\$ 5,321,393.00	\$ 5,190,330.00	\$ 5,700,911.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(5,321,393.00)</u>	<u>(5,190,330.00)</u>	<u>(5,700,911.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 43,281,555.00	\$ 42,311,700.00	\$ 43,120,866.00
County's Contributions as a Percentage of it's Covered-Employee Payroll	12.29%	12.27%	13.22%

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

	<b><u>Measurement Date Ended June 30,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Proportion of the Net Pension Liability	0.5685444057%	0.5686346694%	0.5803733767%
County's Proportionate Share of the Net Pension Liability	\$ 94,699,679.00	\$ 71,528,967.00	\$ 77,155,403.00
State's Proportionate Share of the Net Pension Liability associated with the County	<u>8,304,844.00</u>	<u>7,702,467.00</u>	<u>7,191,821.00</u>
Total	<u>\$ 103,004,523.00</u>	<u>\$ 79,231,434.00</u>	<u>\$ 84,347,224.00</u>
County's Covered-Employee Payroll	\$ 17,912,496.00	\$ 17,983,768.00	\$ 18,121,556.00
County's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	528.68%	397.74%	425.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<b><u>Year Ended December 31,</u></b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
County's Contractually Required Contribution	\$ 4,621,418.00	\$ 4,367,507.00	\$ 4,234,275.00
County's Contribution in Relation to the Contractually Required Contribution	<u>(4,621,418.00)</u>	<u>(4,367,507.00)</u>	<u>(4,234,275.00)</u>
County's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 17,235,855.00	\$ 18,097,159.00	\$ 18,048,239.00
County's Contributions as a Percentage of it's Covered-Employee Payroll	26.81%	24.13%	23.46%

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

Changes in Benefit Terms - None

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

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

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

***Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

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

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

**Note 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The County provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The County's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: 1) an employee who participates in the PERS pension plan and was hired before 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 55, 2) an employee hired on or after 7/1/2007 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 60, 3) an employee hired on or after 11/2/2008 is eligible for full benefits upon retirement provided they have completed 25 years of service and are at least age 62, 4) an employee hired on or after 7/28/2011 is eligible for full benefits upon retirement provided they have completed 30 years of service and are at least age 65, 5) an employee who participates in the PFRS pension plan is eligible for benefits upon retirement provided they have completed 25 years of service. Year of service are calculated based upon elapsed time. The plan is administered by the County; therefore, premium payments are made directly to the insurance carriers.

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

**Retirees** - The County 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 County's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$1,926,857.76, \$1,852,844.00, and \$1,852,844.00, respectively.

**Note 9: POST EMPLOYMENT 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 County 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 \$13,111,499.00 at an unfunded discount rate of 4.5%. As stated above, the County has funded the cost of existing retirees in the amount of \$1,926,857.76, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Annual OPEB Cost** - For year ended December 31, 2015, the County's annual OPEB cost (expense) of \$11,886,864.22 for the plan was equal to the ARC plus certain adjustments because the County's actual contributions in prior years differed from the ARC. The County's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 13,111,499.00	\$ 7,732,198.00	\$ 7,732,198.00
Interest on the Net OPEB Obligation	3,362,011.77	3,483,238.71	3,227,856.00
Adjustment to the ARC	<u>(4,586,646.55)</u>	<u>(4,315,994.18)</u>	<u>(3,999,555.84)</u>
Annual OPEB Cost	11,886,864.22	6,899,442.53	6,960,498.16
Pay-as-You Go Cost (Existing Retirees)	<u>(1,926,857.76)</u>	<u>(1,852,844.00)</u>	<u>(1,852,844.00)</u>
Increase (Decrease) in the Net OPEB Obligation	9,960,006.46	5,046,598.53	5,107,654.16
Net OPEB Obligation, January 1	<u>74,711,372.64</u>	<u>69,664,774.11</u>	<u>64,557,119.95</u>
Net OPEB Obligation, December 31	<u>\$ 84,671,379.10</u>	<u>\$ 74,711,372.64</u>	<u>\$ 69,664,774.11</u>
Percentage of Annual OPEB Cost Contributed	16%	27%	27%

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

	<u>2015</u>	<u>2013</u>	<u>2011</u>
Actuarial Accrued Liability (AAL)	\$ 136,109,526.00	\$ 71,960,419.00	\$ 95,538,458.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 136,109,526.00</u>	<u>\$ 71,960,419.00</u>	<u>\$ 95,538,458.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 53,803,000.00	\$ 53,259,000.00	\$ 69,756,000.00
UAAL as a Percentage of Covered Payroll	253.0%	135.1%	137.0%

**Note 9: POST EMPLOYMENT 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, 2015 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.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* Based on first eligibility after the completion of 30 years of service and age 65 if hired on or after 7/28/2011, age 62 and 25 years of service if hired on or after 11/2/2008, age 60 and 25 years of service for single if hired on or after 7/1/2007, and age 55 and 25 years of service for all others.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 7.5% in 2015, reducing by .5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates.



**Note 10: COMPENSATED ABSENCES**

Permanent full-time employees are entitled to fifteen paid sick leave days each year. Temporary employees are entitled to one sick day per month. Unused sick leave may be accumulated and carried forward to subsequent years. Employees earn vacation days in accordance with the number of years of service. Unused vacation days earned during the year may only be carried over to the subsequent year. Unused vacation days carried over from the previous year are forfeited.

Under existing policies of the County, upon retirement employees will receive one-half of the accumulated unused sick leave to a maximum of \$15,000. Unused accumulated vacation is paid for at straight time.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2015, it is calculated that accrued unused sick and vacation time payable are valued at \$6,118,070.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015, the balance of the fund was \$21,981.90.

**Note 11: DEFERRED COMPENSATION SALARY ACCOUNT**

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

**Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND**

The County of Burlington Resource Recovery Complex is located in portions of Florence and Mansfield Townships. The County operates landfill cells, which are located in Mansfield 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.

In September of 1999, the County began directing waste into Landfill No. 2. As of December 10, 1999, all solid waste delivered to the Complex is deposited in Landfill No. 2. Landfill No. 2 has a projected estimated net refuse volume of approximately 8,185,000 cubic yards and tonnage capacity of 6,138,752 tons with a projected life of 16.6 years.

During 2015, a total of 315,499 tons of solid waste was deposited in Landfill No. 2. Based on a conventional landfill development schedule and a waste loading rate of 330,000 tons per year at a compaction rate of 1,500 pounds of solid waste per cubic yard of airspace, Landfill No. 2 will reach final design capacity in 2018.

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 the closure are not known.

**Note 13: LEASE OBLIGATIONS**

**Capital Leases Payable** - The County is leasing certain equipment and improvements under capital leases. All capital leases are for terms of ten to twenty years and interest rates ranging from 3.00% to 5.25%. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2015.

<b><u>General Capital Fund</u></b>	<b><u>Amount</u></b>
Year Ending December 31,	
2016	\$ 4,962,350
2017	4,959,400
2018	4,964,800
2019	4,966,750
2020	4,965,200
2021-2025	<u>10,925,000</u>
Total minimum lease payments	35,743,500
Less amount representing interest	<u>5,372,500</u>
Present value of net minimum lease payments	30,371,000
Notes Issued	94,775,000
Authorized but not Issued	<u>71,161,900</u>
	<u><u>\$ 196,307,900</u></u>

<b><u>Solid Waste Capital Fund</u></b>	<b><u>Amount</u></b>
Year Ending December 31,	
2016	\$ 3,524,749
2017	3,460,169
2018	3,301,179
2019	2,835,269
2020	2,784,269
2021-2025	17,920,451
2026-2030	<u>10,715,044</u>
Total minimum lease payments	44,541,129
Less amount representing interest	<u>12,146,129</u>
Present value of net minimum lease payments	<u><u>\$ 32,395,000</u></u>

**Note 14: CAPITAL DEBT****General Debt – Serial Bonds**

General Improvement Bonds, Series 2002A - On October 01, 2002, the County issued \$45,300,000.00 of general improvement bonds with interest rates of 5.000%. The bonds were issued for the purpose of funding various capital projects in the County. The final maturity of the bonds is October 15, 2017.

County College Bonds, Series A 2003 - On January 15, 2003, the County issued \$8,700,000.00 of County College bonds with interest rates of 4.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is August 1, 2016.

Vocational School Bonds, Series 2003 - On November 20, 2003, the County issued \$9,995,000.00 in Vocational School bonds with interest rates of 5.000%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is December 1, 2019.

County College Bonds, Series 2007 - On June 13, 2007, the County issued \$5,800,000.00 of County College bonds with interest rates ranging from 4.200% to 4.375%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2017.

General Obligation Bonds Series A 2007 – On August 29, 2007, the County issued \$35,128,000.00 of General Obligation bonds with interest rates of 4.250%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is September 1, 2022.

General Obligation Bonds, Series B 2007 BCIT – On August 29, 2007, the County issued \$7,500,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is September 1, 2022.

General Obligation Bonds, Series D 2007 SSSD – On August 29, 2007, the County issued \$3,259,000.00 with interest rates of 4.250%. The purpose of the bonds was to fund improvements at the County Special Services School District. The final maturity of the bonds is September 1, 2022.

County College Bonds, Series 2008 - On June 25, 2008, the County issued \$12,200,000.00 of County College bonds with interest rates ranging from 3.750% to 4.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 15, 2020.

General Improvement Bonds, Series 2008A - On September 2, 2008, the County issued \$31,981,000.00 of general improvement bonds with interest rates ranging from 3.500% to 4.000%. The bonds were issued for the purpose of funding various capital projects in the County. The final maturity of the bonds is September 1, 2022.

Special Services Schools Bonds, Series 2008B – On September 2, 2008, the County issued \$580,000.00 with interest rates of ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Special Services School District. The final maturity of the bonds is September 1, 2022.

Vocational School Bonds, Series 2008B - On September 2, 2008, the County issued \$2,715,000.00 in Vocational School bonds with interest rates ranging from 3.500% to 4.000%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is September 1, 2022.

General Improvement Bonds, Series 2009 – On December 3, 2009, the County issued \$32,475,000.00 of General Improvement bonds with interest rates ranging from 2.500% to 4.000%. The purpose of the purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is July 15, 2025.

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – Serial Bonds (Cont'd)**

General Obligation Bonds, Series 2010 Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds – On December 15, 2010, the County issued \$15,629,000.00 of General Obligation bonds with interest rates ranging from 3.750% to 5.650%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is December 15, 2025.

County College Bonds, Series 2010 - On June 1, 2010, the County issued \$2,353,000.00 of County College bonds with interest rates ranging from 3.000% to 3.250%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2020.

Refunding Bonds, Series 20011A, - On March 15, 2011, the County issued \$22,091,000.00 with interest rates of 5.000%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of bonds is September 15, 2019.

General Obligation Bonds Series 2013A – On May 22, 2013, the County issued \$36,912,000.00 of General Obligation bonds with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is May 15, 2028.

General Obligation Bonds Series 2013B – On September 5, 2013, the County issued \$40,204,000.00 of General Obligation bonds with interest rates ranging from 3.000% to 4.500%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is September 1, 2033.

Vocational School Bonds, Series 2014A1 - On December 1, 2013, the County issued \$4,250,000.00 in Vocational School bonds with interest rates ranging from 3.000% to 5.000%. The purpose of the bonds was to fund improvements at the County Vocational School. The final maturity of the bonds is December 1, 2019.

County College Bonds - On June 25, 2014, the County issued \$7,850,000.00 of County College bonds with interest rates ranging from 2.000% to 3.000%. The purpose of the bonds was to fund improvements at the County College. The final maturity of the bonds is June 1, 2026.

General Obligation Bonds Series 2015A – On May 18, 2015, the County issued \$30,673,000.00 of General Obligation bonds with interest rates ranging from 2.000% to 3.500%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is May 1, 2033.

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

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2016	\$ 21,670,000	\$ 7,927,456	\$ 29,597,456
2017	21,184,001	6,769,857	27,953,858
2018	21,618,000	6,024,241	27,642,241
2019	20,737,001	5,242,874	25,979,875
2020	18,551,001	4,474,342	23,025,343
2021-2025	65,514,002	13,871,120	79,385,122
2026-2030	29,725,000	5,477,171	35,202,171
2031-2035	14,200,000	1,061,364	15,261,364
	<u>\$ 213,199,005</u>	<u>\$ 50,848,424</u>	<u>\$ 264,047,429</u>

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – Green Acres Loans**

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Township of Medford – Camp Ockanickon project. The final maturity of the loan is in 2017.

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Rancocas Greenway project. The final maturity of the loan is in 2020.

The County entered into a loan agreement with the New Jersey Department of Environmental Protection at an interest rate of 2.0%. The proceeds were used to fund the Medfour Properties project. The final maturity of the loan is in 2025.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 229,690	\$ 17,663	\$ 247,354
2017	234,307	13,047	247,354
2018	176,744	8,647	185,390
2019	180,296	5,094	185,390
2020	94,156	1,470	95,627
2021-2025	<u>25,111</u>	<u>1,272</u>	<u>26,383</u>
	<u>\$ 940,304</u>	<u>\$ 47,194</u>	<u>\$ 987,498</u>

**General Debt – New Jersey Environmental Infrastructure (EIT) Loans**

The County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust, at no interest, from the fund loan, and at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund farmland / open space preservation. Semiannual debt payments are due February 1st and August 1st through 2018.

On May 21, 2014, the County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$2,115,306.00, at no interest, from the fund loan, and \$730,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund storm sewer rehab, vac truck, street sweeper projects. Semiannual debt payments are due February 1st and August 1st through 2033.

**Note 14: CAPITAL DEBT (CONT'D)****General Debt – New Jersey Environmental Infrastructure (EIT) Loans (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 434,371	\$ 39,038	\$ 473,409
2017	447,832	34,888	482,719
2018	438,099	28,888	466,987
2019	143,712	22,888	166,599
2020	143,712	21,388	165,099
2021-2025	753,558	81,688	835,245
2026-2030	793,558	44,288	837,845
2031-2035	370,114	9,500	379,614
	<u>\$ 3,524,954</u>	<u>\$ 282,563</u>	<u>\$ 3,807,517</u>

**Solid Waste Utility Debt – Serial Bonds**

Taxable General Obligation Bonds - On March 31, 2008, the County issued \$17,000,000.00 of bonds with interest rates ranging from 5.000% to 6.200%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is October 1, 2027.

General Obligation Bonds - On October 12, 2011, the County issued \$10,675,000.00 of bonds with interest rates ranging from 2.25% to 4.00%. The purpose of the bonds was to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is June 1, 2027.

General Obligation Bonds (Refunding) - On March 11, 2013, the County issued \$23,965,000.00 of refunding bonds with interest rates ranging from 3.00% to 5.00%. The purpose of the bonds was to refund bonds that were used to fund improvements at the County Solid Waste Complex. The final maturity of the bonds is June 1, 2024.

The following schedule represents the remaining debt service, through maturity, for the Solid Waste Utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,445,000	\$ 1,985,009	\$ 5,430,009
2017	3,570,000	1,870,934	5,440,934
2018	3,700,000	1,728,453	5,428,453
2019	3,875,000	1,555,097	5,430,097
2020	4,050,000	1,373,233	5,423,233
2021-2025	19,590,000	3,822,347	23,412,347
2026-2030	4,305,000	349,598	4,654,598
	<u>\$ 42,535,000</u>	<u>\$ 12,684,671</u>	<u>\$ 55,219,671</u>

**Note 14: CAPITAL DEBT (CONT'D)****Solid Waste Utility Debt – New Jersey Environmental Infrastructure (EIT) Loans**

The County entered into a loan agreement with the New Jersey Environmental Infrastructure Trust, at no interest, from the fund loan, and at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund projects at the County Solid Waste Complex. Semiannual debt payments are due February 1st and August 1st through 2016.

The following schedule represents the remaining debt service, through maturity, for the Solid Waste Utility New Jersey EIT loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,021,092	\$ 66,650	\$ 2,087,742

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 246,889,847	\$ 265,030,255	\$ 249,246,250
Sold Waste Utility:			
Bonds, Loans and Notes	68,999,492	68,544,755	55,018,350
Total Issued	315,889,339	333,575,010	304,264,600
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	65,070,554	69,784,637	96,458,628
Sold Waste Utility:			
Bonds, Loans and Notes	11,026,333	9,896,271	26,089,671
Total Authorized but not Issued	76,096,887	79,680,908	122,548,299
Total Issued and Authorized but not Issued	391,986,226	413,255,918	426,812,899
<b><u>Deductions</u></b>			
General:			
Accounts Receivable from Other Public Authorities for Payment of the Gross Debt Funds Temporarily Held to Pay Bonds and Notes	8,482,500	10,092,500	7,487,500
Sold Waste Utility:			
Self-Liquidating	80,025,825	78,441,026	81,108,021
Total Deductions	109,976,752	109,899,508	109,930,071
<b>Net Debt</b>	<u>\$ 282,009,475</u>	<u>\$ 303,356,410</u>	<u>\$ 316,882,828</u>

**Note 14: CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .616%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 342,954,000	\$ 342,954,000	
Solid Waste Utility	80,025,825	80,025,825	
General Debt	311,960,402	29,950,927	\$ 282,009,475
	<u>\$ 734,940,226</u>	<u>\$ 452,930,752</u>	<u>\$ 282,009,475</u>

Net debt \$282,009,475 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$45,779,161,534, equals .616%.

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

2% of Equalized Valuation Basis (County)	\$ 915,583,231
Less: Net Debt	<u>282,009,475</u>
Remaining Borrowing Power	<u>\$ 633,573,756</u>

**Calculation of "Self-Liquidating Purpose,"  
Solid Waste 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	\$ 32,617,532
Deductions:	
Operating and Maintenance Costs	\$ 18,810,178
Debt Service	<u>11,173,522</u>
Total Deductions	<u>29,983,700</u>
Excess/(Deficit) in Revenue	<u>\$ 2,633,832</u>

A revised Annual Debt Statement should be filed.

**Note 15: DEFEASED DEBT**

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in a separate irrevocable trust fund. The investments and fixed interest earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the County's financial statements. As of December 31, 2015, the total amount of defeased debt outstanding, but removed from the County's financial statements, is \$43,239,000.00.



**Note 16: RESERVE FOR INTEREST REBATE**

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

The County of Burlington has several issues of bonds outstanding, which are subject to rebate. Rebate calculations on these bonds are required to be made at least once every five years. The County elected to establish a reserve account in the Solid Waste Utility Operating Fund in the amount of \$100,000 in case a rebate may be required as the result of the occurrence of future events.

**Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS**

On January 27, 1988, the County Freeholders, by adoption of Resolution No. 42, created the Burlington County Solid Waste Utility Fund. All outstanding debt and all authorized but not issued debt attributable to solid waste projects was transferred from the General Capital Fund to the Solid Waste Utility Capital Fund.

Officially, operations at the Resource Recovery Complex began on February 1, 1989 with nine municipalities being served. A phase in period was established for the remaining Burlington County municipalities. As of January 2, 1992, all municipalities within Burlington County are being served. The Complex also accepts solid waste from private haulers.

Pursuant to N.J.A.C. 7:26-2A.9, the County directed its engineer to update the closure/post-closure plan along with the required financial schedules. The latest revision of January 2015 was received from the Engineer, and the report reflects the following:

**Closure**

Within that report, closure costs are estimated to be \$35,049,105.00. It is expected that such closure costs, assuming an inflation rate of 2.0% as estimated by the Engineer, would begin in the year 2022 to the year 2028 when the operations at the landfill site would cease. It is projected that funding will be provided by the Escrow Tax Fund mandated by the New Jersey Department of Environmental Protection.

**Post-Closure**

Post-closure costs for the thirty-year period would begin in the year 2029 and end 2058. The overall projected costs, assuming an inflation rate of 2.0% as estimated by the engineer, would total \$27,771,530.00. It is projected that funding will be provided by the Escrow Tax Fund mandated by the New Jersey Department of Environmental Protection.

Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for estimated liability for combined closure and post-closure costs based on landfill capacity as of December 31, 2015.

**Note 17: COUNTY OWNED LANDFILL - CLOSURE AND POST-CLOSURE COSTS (CONT'D)****Closure and Post-Closure Plan Funding and Projected Costs**

The County Landfill's funding includes accumulated contributions and investment income at December 31, 2014 (per January 2015 plan), and additional estimated contributions and estimated investment income subsequent to December 31, 2014. The County Landfill's funding progress regarding the plan overall are as follows:

New Jersey Department of Environmental Protection and Energy Escrow Tax Account Balance at December 31, 2014	\$ 15,262,481
Remaining Estimated per ton Contribution to be made by the County to the NJDEP Escrow Tax Account	4,240,000
Projected Investment Earnings Assuming an Interest Rate of 2.0% for 2014-2015 and 6.0% for 2016-2058	34,594,213
In-Kind Costs for Final Cover	11,833,523
Projected Ending Closure Fund Balance 2058	<u>(3,109,582)</u>
	<u>\$ 62,820,635</u>
Closure	\$ 35,049,105
Post Closure	<u>27,771,530</u>
	<u>\$ 62,820,635</u>

**Note 18: DEBT SERVICE AGREEMENTS**

The County of Burlington adopted resolutions during 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$60,000,000; in 2015 \$5,000,000 was canceled. At December 31, 2015, notes in the amount of \$54,905,000 have been issued and the County is the only participant in this issue.

The County of Burlington adopted resolutions during 2013 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$46,000,000. The County is the only participant in this issue.

The County of Burlington adopted resolutions during 2014 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$39,937,900. The County is the only participant in this issue.

At December 31, 2015, notes in the amount of \$39,870,000 have been issued on the combined amount of the \$46,000,000 and \$39,937,900 issues.

The County of Burlington adopted resolutions during 2015 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$25,000,000. The County is the only participant in this issue.

The County of Burlington adopted resolutions during 2015 authorizing the guaranty for the Burlington County Bridge Commission Bonds in an amount not to exceed \$49,820,000 for Bridge Commission Capital Improvements. The County is not a participant in this issue.

The County – Guaranteed Burlington County Bridge Commission Bonds totaling \$342,954,000 as of December 31, 2015 are as follows:

October 1, 2002	Pooled Loan Revenue Bonds	\$ 1,284,000.00
November 20, 2003	Lease Revenue Bonds	605,000.00
December 7, 2005	Pooled Loan Revenue Bonds	4,340,000.00
September 16, 2006	Lease Revenue Bonds	5,420,000.00
September 16, 2006	Pooled Loan Revenue Bonds	10,120,000.00
August 15, 2007	Lease Revenue Refunding Bonds	24,620,000.00
November 28, 2007	Pooled Loan Revenue Bonds	1,890,000.00
August 15, 2009	Pooled Loan Revenue Bonds	12,930,000.00
October 27, 2010	Pooled Loan Revenue Bonds	12,640,000.00
March 16, 2011	Loan Revenue Refunding Bonds	10,823,000.00
September 8, 2011	Loan Revenue Refunding Bonds	7,675,000.00
March 11, 2013	Loan Revenue Refunding Bonds	18,580,000.00
October 1, 2013	Bridge System Revenue Bonds	40,460,000.00
October 7, 2013	Loan Revenue Refunding Bonds	26,380,000.00
January 2, 2014	Loan Revenue Refunding Bonds	10,732,000.00
June 25, 2014	Lease Revenue Refunding Bonds	9,860,000.00
	2012 Capital Lease Program Notes	54,905,000.00
	2013-2014 Capital Lease Program Notes	39,870,000.00
	Bridge Commission Capital Improvement Notes	49,820,000.00
		<u>\$ 342,954,000.00</u>

At December 31, 2015 the County's balance payable of the Burlington County Bridge Commission's Governmental Leasing Program (Debt Service Agreements) was \$125,146,000 in the General Capital Fund and \$32,395,000 in the Utility Capital Fund, see Lease Obligations Note.

**Note 19: INSURANCE COMMISSION**

The County is a member of the Burlington County Insurance Commission. The Commission provides its members with the following coverage:

- Health Insurance
- Workers' Compensation and Employer's Liability
- General Liability
- Auto Liability, Auto Physical Damage
- Property
- Employee Dishonesty

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

The Commission purchases excess insurance for coverage in excess of the Commission's self-insured retention limits.

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

Burlington County Insurance Commission  
9 Campus Drive, Suite 216  
Parsippany, NJ 07054

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST**

On November 5, 1996, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Burlington County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied and collected in the same manner and at the same time as other County taxes. On November 3, 1998, the voters of Burlington County authorized an increase in the Open Space, Recreation, Farmland and Historic Preservation tax from two cents per hundred to four cents per hundred dollars of equalized valuation for twenty years, and on November 7, 2006 the voters extended the tax to 2036. In 2015, revenue from the tax was allocated as follows: one cent to open space preservation and three cents to historical preservation, maintenance and development of lands acquired for recreation and conservation purposes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund.

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

Pursuant to the adoption of a resolution the County Board of Chosen Freeholders accepted and approved the Strategic Plans for the Farmland Preservation Program and the Open Space Preservation Program, the County of Burlington has entered into various Installment Purchase Agreements to obtain the rights to Open Spaces and Farmlands in order to permanently restrict the rights to develop these properties. The Strategic Plans provide for the acquisition of property or the rights to property through the use of various conservation easements, development rights, direct purchase and public-private partnerships.

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements:

Resolution Number	Issue Date	IPA Account Number	Principal Due Date	Initial Investment Required	Investment Value At Maturity
2002-480	07/19/02	2002-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-899	11/15/02	2002-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-723	11/14/02	2002-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-885	12/05/02	2002-04	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-898	02/17/03	2003-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-058	02/21/03	2003-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-059	02/17/03	2003-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2002-625	03/10/03	2003-03A	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-414	07/10/03	2003-05	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-487	07/15/03	2003-06	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-488	08/05/03	2003-07	11/15/16-11/15/18	Not Applicable	Not Applicable
2003-869	12/15/03	2003-08	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-261	04/21/04	2004-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-263	04/21/04	2004-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2004-262	04/21/04	2004-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2001-900	04/15/05	2005-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2005-228	04/15/05	2005-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2005-306	05/15/05	2005-03	11/15/16-11/15/18	Not Applicable	Not Applicable
2006-298	07/25/06	2006-01	11/15/16-11/15/18	Not Applicable	Not Applicable
2006-1109	12/15/06	2006-02	11/15/16-11/15/18	Not Applicable	Not Applicable
2007-983	12/11/07	2007-01	11/15/16-11/15/26	Not Applicable	Not Applicable
2008-362	06/24/08	2008-01	11/15/16-11/15/27	Not Applicable	Not Applicable
2003-217	06/24/08	2008-02	11/15/16-11/15/27	Not Applicable	Not Applicable
2008-622	08/27/08	2008-03	11/15/16-11/15/28	Not Applicable	Not Applicable
2011-277	11/15/12	2012-01	11/15/16-11/15/31	Not Applicable	Not Applicable
2011-276	04/26/14	2014-01	11/15/16-11/15/33	Not Applicable	Not Applicable
2013-561	11/17/14	2015-01	11/15/16-11/15/34	Not Applicable	Not Applicable
2001-400	09/11/01	70-T031-29-6	11/15/18	\$90,414	\$238,000
2001-308	02/11/02	70-T035-36-2	11/15/18	150,662	397,000
2001-400	04/25/02	70-T036-37-8	11/15/18	116,484	316,000
2001-597	05/07/02	70-T037-38-4	11/15/18	844,011	2,229,000
2001-400	06/04/02	70-T038-39-0	11/15/18	109,454	291,000
2001-597	07/17/02	70-T039-40-6	11/15/18	196,017	508,000
2001-308	07/12/02	70-T040-41-2	11/15/18	91,653	230,000
2001-308	08/29/02	70-T041-42-8	11/15/18	91,318	218,000
2001-308	09/12/02	70-T042-43-4	11/15/18	94,250	225,000
2002-621	09/26/02	70-T043-44-0	11/15/18	260,998	585,000
2002-179	11/01/02	70-T045-46-0	11/15/18	250,096	598,000
2002-689	03/14/03	70-T046-47-6	11/15/18	357,000	767,000
2002-564	05/08/03	70-T047-49-0	11/15/18	64,482	139,000

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

<u>Resolution Number</u>	<u>Issue Date</u>	<u>IPA Account Number</u>	<u>Principal Due Date</u>	<u>Initial Investment Required</u>	<u>Investment Value At Maturity</u>
2003-445	09/12/03	70-T048-50-6	11/15/18	\$822,420	\$1,879,000
2003-445	09/12/03	70-T049-51-2	11/15/18	87,538	200,000
2003-098	10/01/03	70-T050-52-8	11/15/18	110,205	237,000
2003-098	10/01/03	70-T051-53-4	11/15/18	109,740	236,000
2003-060	10/29/03	70-T052-54-0	11/15/18	52,216	116,000
2003-060	10/29/03	70-T053-55-5	11/15/18	182,307	405,000
2003-098	12/30/03	70-T054-56-1	11/15/18	78,573	169,000
2003-060	02/06/04	70-T055-57-6	11/15/18	62,444	132,000
2003-060	02/06/04	70-T056-58-2	11/15/18	62,444	132,000
2004-036	09/01/04	70-T057-59-8	11/15/18	647,095	1,317,000
2004-040	09/21/04	70-T058-60-4	11/15/18	69,993	140,000
2004-040	10/07/04	70-T059-61-0	11/15/18	248,790	500,000
2004-040	12/31/04	70-T060-62-6	11/15/18	1,441,822	2,849,000
2004-040	12/31/04	70-T061-63-2	11/15/18	360,329	712,000
2004-040	12/31/04	70-T062-64-8	11/15/18	360,329	712,000
2004-040	12/31/04	70-T063-65-3	11/15/18	360,329	712,000
2004-040	12/31/04	70-T064-66-9	11/15/18	360,329	712,000
2005-772	01/13/05	70-T065-67-4	11/15/18	153,951	300,000
2005-772	01/13/05	70-T066-68-0	11/15/18	153,951	300,000
2005-772	06/21/05	70-T067-69-6	11/15/18	990,068	1,795,000
2005-544	01/24/06	70-T068-70-2	11/15/18	73,820	132,000
2005-774	02/22/06	70-T069-71-8	11/15/18	547,060	1,000,000
2006-304	09/06/06	70-T070-72-4	11/15/18	157,979	287,000
2006-304	09/06/06	70-T071-73-0	11/15/18	157,979	287,000
2006-408	04/11/07	70-T072-74-6	11/15/18	124,374	219,000
2006-408	04/11/07	70-T073-75-1	11/15/18	123,807	218,000
2006-408	04/11/07	70-T074-76-7	11/15/18	123,807	218,000
2006-408	04/11/07	70-T075-77-2	11/15/18	124,374	219,000
2006-303	06/14/07	70-T076-78-8	11/15/18	80,892	148,000
2006-303	06/14/07	70-T077-79-4	11/15/18	80,892	148,000
2007-072	06/20/07	70-T078-80-0	11/15/18	54,772	100,000
2007-072	06/20/07	70-T079-81-6	11/15/18	54,772	100,000
2007-195	08/16/07	70-T080-83-0	11/15/20	254,400	500,000
2007-114	08/23/07	70-T081-84-6	11/15/18	578,140	1,000,000
2006-1093	10/12/07	70-T082-85-1	11/15/18	662,739	1,139,000
2006-1093	10/12/07	70-T083-86-7	11/15/18	283,948	488,000
2007-234	11/29/07	70-T084-87-3	11/15/18	121,928	195,000
2007-234	11/29/07	70-T085-88-8	11/15/18	121,928	195,000
2007-234	11/29/07	70-T086-89-4	11/15/24	95,257	205,000
2007-196	11/30/07	70-T087-90-0	11/15/18	50,027	80,000
2007-234	12/28/07	70-T088-91-6	11/15/36	79,755	300,000
2007-1086	12/28/07	70-T089-92-2	11/15/27	583,334	1,495,000
2007-1086	12/28/07	70-T090-93-8	11/15/27	583,334	1,495,000
2007-490	02/07/08	70-T091-94-4	11/15/18	137,084	210,000
2007-490	02/07/08	70-T092-95-9	11/15/18	136,431	209,000
2007-835	10/16/08	70-T093-96-5	11/15/18	155,064	240,000
2007-835	10/16/08	70-T034-32-4	11/15/23	119,105	240,000
2008-671	10/31/08	70-T094-98-9	11/15/36	1,167,028	3,764,000
2007-192	12/10/08	70-T095-99-4	11/15/18	131,908	188,000

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

Resolution Number	Issue Date	IPA Account Number	Principal Due Date	Initial Investment Required	Investment Value At Maturity
2007-192	12/10/08	70-T096-01-8	11/15/18	\$132,610	\$189,000
2008-1015	05/12/10	74-9667-01-0	11/15/36	153,384	462,000
2010-101	06/29/10	70-8870-01-9	11/15/20	213,318	281,000
2010-275	12/15/10	70-8891-01-5	11/15/30	69,915	210,000
2010-278	12/28/10	70-8892-01-3	11/15/30	217,935	500,000
2010-278	12/28/10	70-8893-01-1	11/15/30	435,870	1,000,000
2010-278	12/28/10	70-8894-01-9	11/15/30	217,935	500,000
2012-148	03/28/12	70-8915-01-2	11/15/22	150,542	189,000
2012-146	03/28/12	70-8927-01-7	11/15/32	498,171	868,000
2014-270	05/2015	70-8957-01-4	08/01/25	156,280	200,000

**Township of Evesham (IPA 2002-01 & 2002-03)** - At the closing of IPA 2002-01 & 2002-03, the County signed Promissory Notes in the amounts of \$384,000 (Musulin Property) and \$400,000 (Pachoango Property). The notes are to be paid off to the Township of Evesham in sixteen equal installments commencing 11/15/03. There is no interest due on these notes and the last payment for both notes is November 15, 2018.

**Township of Moorestown (IPA 2002-02)** - At the closing of IPA 2002-02, the County signed a Promissory Note in the amount of \$96,000 (Wigmore Property). The note is to be paid off to the Township of Moorestown in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Eastampton (IPA 2002-04)** - At the closing of IPA 2002-04, the County signed a Promissory Note in the amount of \$208,000 (Tabas Property). The note is to be paid off to the Township of Eastampton in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mount Laurel (IPA 2003-01)** - At the closing of IPA 2003-01, the County signed a Promissory Note in the amount of \$544,000 (Conrow / Goodwin Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mount Laurel (IPA 2003-02)** - At the closing of IPA 2003-02, the County signed a Promissory Note in the amount of \$496,000 (Cuzzimano Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mount Laurel (IPA 2003-03)** - At the closing of IPA 2003-03, the County signed a Promissory Note in the amount of \$244,000 (Barrett Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Bordentown (IPA 2003-03A)** - At the closing of IPA 2003-03A, the County signed a Promissory Note in the amount of \$960,000 (Federal Property). The note is to be paid off to the Township of Bordentown in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

**Township of Eastampton (IPA 2003-05)** - At the closing of IPA 2003-05, the County signed a Promissory Note in the amount of \$1,744,000 (Eastampton, LLC Property). The note is to be paid off to the Township of Eastampton in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mount Laurel (IPA 2003-06)** - At the closing of IPA 2003-06, the County signed a Promissory Note in the amount of \$288,250 (Guidotti Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mount Laurel (IPA 2003-07)** - At the closing of IPA 2003-07, the County signed a Promissory Note in the amount of \$374,000 (Paragon Homes Property). The note is to be paid off to the Township of Mount Laurel in sixteen equal installments commencing 11/15/03. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Medford (IPA 2003-08)** - At the closing of IPA 2003-08, the County signed a Promissory Note in the amount of \$450,000 (JCC Camp Property). The note is to be paid off to the Township of Medford in fifteen equal installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Mansfield (IPA 2004-01)** - At the closing of IPA 2004-01, the County signed a Promissory Note in the amount of \$127,500 (Tower Gate Property). The note is to be paid off to the Township of Mansfield in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Evesham (IPA 2004-02)** - At the closing of IPA 2004-02, the County signed a Promissory Note in the amount of \$108,250 (Hamilton Property). The note is to be paid off to the Township of Evesham in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Evesham (IPA 2004-03)** - At the closing of IPA 2004-03, the County signed a Promissory Note in the amount of \$1,025,000 (Croft Property). The note is to be paid off to the Township of Evesham in fifteen installments commencing 11/15/04. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Moorestown (IPA 2005-01)** - At the closing of IPA 2005-01, the County signed a Promissory Note in the amount of \$1,743,750 (Benner Property). The note is to be paid off to the Township of Moorestown in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Westampton (IPA 2005-02)** - At the closing of IPA 2005-02, the County signed a Promissory Note in the amount of \$512,500 (Rancocas Property). The note is to be paid off to the Township of Westampton in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.



**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

**Township of Lumberton (IPA 2005-03)** - At the closing of IPA 2005-03, the County signed a Promissory Note in the amount of \$206,250 (Raab Property). The note is to be paid off to the Township of Lumberton in fourteen installments commencing 11/15/05. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Evesham (IPA 2006-01)** - At the closing of IPA 2006-01, the County signed a Promissory Note in the amount of \$260,000 (Johnston Property). The note is to be paid off to the Township of Evesham in thirteen installments commencing 11/15/06. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Hainesport (IPA 2006-02)** - At the closing of IPA 2006-02, the County signed a Promissory Note in the amount of \$200,000 (Wells/Johnson Property). The note is to be paid off to the Township of Hainesport in twelve installments commencing 11/15/07. Interest is due on this note and the last note payment is November 15, 2018.

**Township of Burlington (IPA 2007-01)** - At the closing of IPA 2007-01, the County signed a Promissory Note in the amount of \$412,500 (Tillinghast Property). The note is to be paid off to the Township of Burlington in nineteen installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2026.

**Township of Bordentown (IPA 2008-01)** - At the closing of IPA 2008-01, the County signed a Promissory Note in the amount of \$382,625 (Luyber Property). The note is to be paid off to the Township of Bordentown in twenty installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2027.

**Township of Bordentown (IPA 2008-02)** - At the closing of IPA 2008-02, the County signed a Promissory Note in the amount of \$1,250,000 (Samost Property). The note is to be paid off to the Township of Bordentown in twenty installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2027.

**Township of Medford (IPA 2008-03)** - At the closing of IPA 2008-03, the County signed a Promissory Note in the amount of \$2,487,500 (The Pointe Project). The note is to be paid off to the Township of Medford in twenty one installments commencing 11/15/08. Interest is due on this note and the last note payment is November 15, 2028.

**Township of Chesterfield (IPA 2012-01)** - At the closing of IPA 2012-01, the County signed a Promissory Note in the amount of \$246,125 (Wilkinson Property). The note is to be paid off to the Township of Chesterfield in twenty installments commencing 11/15/12. Interest is due on this note and the last note payment is November 15, 2031.

**Township of Westampton (IPA 2014-01)** - At the closing of IPA 2014-01, the County signed a Promissory Note in the amount of \$210,000 (Westampton). The note is to be paid off to the Township of Westampton in twenty installments commencing 11/15/14. Interest is due on this note and the last note payment is November 15, 2033.

**Township of Delran (IPA 2015-01)** - At the closing of IPA 2015-01, the County signed a Promissory Note in the amount of \$305,325 (Delran). The note is to be paid off to the Township of Delran in twenty installments commencing 11/15/15. Interest is due on this note and the last note payment is November 15, 2034.

**Note 20: OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST (CONT'D)**

As of December 31, 2015, the County had entered into the following Installment Purchase Agreements (Cont'd):

With the exception of IPAs 2002-01 through 2002-04, 2003-01 through 2003-03a, 2003-05 through 2003-08, 2004-01 through 2004-03, 2005-01 through 2005-03, 2006-01 through 2006-02, 2007-01, 2008-01 through 2008-03, 2012-01, 2014-01, and 2015-01 all of the other IPAs were executed settlements which negotiated a fair price set to be paid at maturity. Until the principal maturity date, a negotiated interest payment will be paid twice yearly on the principal amount. On the closing date of the IPA transaction, the County would make a purchase of U.S. Treasury Stripes with a maturity schedule designed to meet the principal payment amount due to the sellers. The initial investment is shown above.

**Note 21: BOARD OF SCHOOL ESTIMATES**

The Board of School Estimates approved an Appropriation of \$15,894,974 for the Burlington County Institute of Technology for the School Year July 1, 2015 to June 30, 2016. The County funded this amount by appropriating \$2,430,000 in the County's 2015 budget and \$13,464,974 in the County's 2016 budget.

The Board of School Estimates approved an Appropriation of \$4,800,000 for the Burlington County Special Services School District County for the School Year July 1, 2015 to June 30, 2016. The County funded this amount by appropriating \$400,000 in the County's 2015 budget and \$4,400,000 in the County's 2016 budget.

**Note 22: 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 County expects such amount, if any, to be immaterial.

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

**Note 23: CONCENTRATIONS**

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

**Note 24: SUBSEQUENT EVENTS**

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

<b><u>Purpose</u></b>	<b><u>Date</u></b>	<b><u>Authorization</u></b>
<b>General Improvements</b>		
Refunding bond ordinance authorizing issuance of up to \$35,500,000 for an advance refunding all or portion of callable maturities of outstanding GO bonds, series 2007, 2008A, and 2008B	01/27/16	\$ 2,604,000
Providing for the acquisition of real property located at 1020 Briggs Road, in the Township of Mount Laurel, New Jersey, and improvements located thereon and minor renovations thereto	03/09/16	6,222,500
Providing for a portion of the costs of design, construction, renovation and equipping of a multi-year, multi-phase capital improvement program for Rowan College at Burlington County campuses	04/27/16	7,900,000
Providing for the costs of design, construction, renovation and equipping of a multi-year, multi-phase capital improvement program in FY16 and beyond for Rowan College at Burlington County Campuses	06/08/16	45,000,000

## **APPENDIX B**

### **GENERAL INFORMATION CONCERNING THE COUNTY**

## GENERAL INFORMATION REGARDING THE COUNTY

Burlington County, located in South Central New Jersey is, in area, the largest county in the State and is only thirty minutes from downtown Philadelphia and ninety minutes from New York City. It covers 529,351 acres of which 524,160 are land and 5,191 are water. The 827 square miles extend from the Delaware River to Great Bay at the Atlantic Ocean. Mercer County is the northern border, Monmouth County is on the northeast, Ocean County borders the eastern side and Camden County is on the west.

About fifty-four percent of the County is forest, twenty-five percent farmland, seventeen percent residential, and four percent federally owned land. Most of the productive farmland is in the third of the County that parallels the Delaware River. East of this is mostly pine woodland, where State-owned forests and parks make up twenty percent of the County.

### Population<sup>1</sup>

Burlington County has forty political subdivisions, consisting of three cities, thirty-one townships and six boroughs. Municipalities with populations over 30,000 include the Townships of Willingboro, Evesham and Mount Laurel. The County seat is located in Mount Holly, which has a population of 10,230.

2010 Federal Census .....	448,734
2000 Federal Census .....	423,394
1990 Federal Census .....	395,066
1980 Federal Census .....	362,542
1970 Federal Census .....	323,132
1960 Federal Census .....	224,499
1950 Federal Census .....	135,926
1940 Federal Census .....	97,013

### Labor Force

The following table discloses current labor force data for the County. Data was provided by the New Jersey Department of Labor and Workforce Development using the U.S. Bureau of Labor Statistics Method.

#### LABOR FORCE DATA<sup>2</sup>

	<u>2016 Average</u>	<u>2015 Average</u>	<u>2014 Average</u>
Labor Force	234.6	232.4	232.0
Employment	224.3	220.3	217.4
Unemployment	10.3	12.1	14.7
Unemployment Rate (%)	4.4%	5.2%	6.3%

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<sup>1</sup> Source: U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> In thousands. N.J. Department of Labor and Workforce Development.

## **Farming**

Burlington County is first in the State for land devoted to farming, with over 110,000 acres of farmland. The leading agricultural commodities are nursery, greenhouse and sod followed by the production of fruits and berries, vegetables, grains, and dairy as well as breeding equine. The County is first in the State in the production of soybeans and cranberries and second in the production of sweet corn and blueberries.<sup>1</sup>

In 1985, Burlington County preserved the first farms in the State with the acquisition through the County's Farmland Preservation Program of 608 acres of prime farmland in Chesterfield Township. The approximately 138,000 acre Agricultural Development Area ("ADA") is where the County focuses most of its preservation efforts. The County has also been the State's testing grounds for a unique Transfer of Development Rights ("TDR") program, which couples land preservation with planned residential and commercial growth.

As of October 2016, more than 58,134 acres of farmland have been preserved, securing the County's position as a statewide leader in farmland preservation. An additional 750 acres for farmland are targeted for next year.<sup>2</sup>

## **Transportation**

Excellent transportation services are available in Burlington County – New Jersey Transit, Greyhound Lines, and Academy Bus Lines are the major bus lines connecting the County with Philadelphia, New York, Baltimore and Washington, D.C. There are also two Conrail railroad lines that together with the Delaware River and its forty-foot channel, provide bulk cargo transportation alternatives.

The New Jersey Turnpike travels through the center of Burlington County providing four exits that access to all areas of the County. The new Exit 6, located in Florence Township, opened to motorists in February 2001, providing access to both the New Jersey and Pennsylvania Turnpikes from Route 130. Major connectors to the Turnpike include I-95 and I-295 with eight exits; U.S. Highways #130 and #206; and State Highways #38, #70, #72 and #73. Many fine County roads service this network.

Currently, more than \$100 million in highway improvement projects are underway within the County. The County has more than 508 miles of roads under its jurisdiction.

New Jersey Transit passenger rail service began operations on March 14, 2004. This service provides rail transportation for the dozen municipalities that make up the Route 130/Delaware River Corridor in the County ("River Line"). The River Line rail service connects the cities of Camden and Trenton, providing commuters with an alternative transportation option and, in the process, bolstering a regional study and plan for revitalizing business and growth through this western portion of the County. Additionally, the County provides a cross-County bus system (Burlink) connecting with New Jersey Transit bus routes and the River Line stations which is operated by the Stout Charter Service, Inc.

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<sup>1</sup> Source: 2002 Census of Agriculture, USDA National Agricultural Statistics Service.

<sup>2</sup> Source: Burlington County Department of Resource Conservation.

## Industries

Twenty-six active industrial/office parks are located throughout the County. Some of the major parks are: Bishop's Gate Corporate Center, East Gate Business Center I and Laurel Corporate Center located in Mount Laurel; Moorestown Industrial Park located in Moorestown; Crossroads Business Center located in Burlington Township; Greentree Office/Industrial Campus and Marlton Crossing located in Evesham Township; Haines Industrial Center located in Burlington and Florence Townships; Cindel located in Cinnaminson; Lumberton Corporate Center located in Lumberton Township; and Highland Business Park located in Westampton Township. All of these parks are adjacent to major transportation arteries. Their tenants are representatives of the major industries located in the United States.

Some exciting businesses have built facilities in the County and others are coming to the County.

- NFI built Subaru of America a 526,050 square-foot parts distribution facility and 17,000 square-foot office and training facility in Florence Township which was completed and fully operational in June 2013, adding 126 jobs. In addition, NFI built a 504,000 square-foot facility where Subaru occupies 189,000 square-feet, Okidata 252,000 square-foot and Nestle 63,000 square-foot.
- Burlington Stores (formerly Burlington County Coat Factory) built a 522,000 square-foot warehouse and a 218,000 square-foot international corporate headquarters in Florence Township, adding more than 800 hundred jobs. In addition, Burlington Stores is leasing two adjacent build-to-suit warehouses in Haines Industrial Park, 677,000 square-feet in Burlington Township and 200,000 square-feet in Florence Township. They also built a 731,000 square-foot truck staging area in Edgewater Park Township that added 700 employees. Burlington Stores has a total of 2,338 employees in the County.
- Express Scripts consolidated all of their New Jersey facilities and built a 240,000 square-foot distribution center in Florence Township with more than 700 jobs created.
- Destination Maternity built a 406,000 square-foot warehouse and moved to an 81,000 square-foot office building in the County, adding more than 675 new jobs.
- W.W. Grainger, a leading supplier of maintenance, repair and operating products, built a 1.3 million square-feet distribution center on 96 acres of land in Bordentown Township, which added approximately 400 warehouse operations jobs.
- Rancocas Industrial Park built a 682,000 square-foot warehouse/distribution center in Westampton Township, with more than 100 jobs created.
- Amazon is building a 614,000 square-feet fulfillment center in Florence Township, which will generate approximately 500 jobs. Amazon is also building a 577,000 square-foot distribution center adjacent to their fulfillment center.
- Burlington Industrial Park, in Burlington Township, is building three of four warehouses with 1,582,000 square-foot which will add approximately 400 jobs.
- ARI/Acacia Cabinetworks renovated and existing building in Crossroads Industrial Park, Burlington Township to create a \$1.4 million project that includes 63 additional jobs.
- The Brickwall Tavern and Restaurant in Burlington City completed a \$1.4 million project that renovated the old Endeavor Firehouse and added 63 jobs.

- The View at Marlton is an 80,000 square-foot, \$30 million retail center that is currently under construction.

There are also numerous new housing projects including Rivergate at Bordentown, a 159 luxury rental apartment complex, which recently opened as part of Phase I of a \$300 million, 98-acre redevelopment project along the Delaware River waterfront in Bordentown Township known as Bordentown Waterfront Community. The Bordentown Waterfront Community involves the transformation of a former ship salvage yard into a transit village with up to 674 apartments and townhouses, stores, restaurants, a public park, pier and a new River Line train station. Parker's Mill in Mt. Holly has completed Phase 1 of their project that includes 60 townhouses, and 228 apartments.

Burlington County initiated an award-winning revitalization plan in 1995 ("Plan") that included working with twelve municipalities located in a 17 mile long corridor that runs from Palmyra to Florence from the Delaware River and along Route 130. Originally called the Route 130 Corridor Project it is now the River Route project because it brings together the Delaware River, the Rail line and Route 130 for economic success. Since its inception, the Plan has attracted major industry including the Merck-Medco automated mail service facility, an extension of the Rowan College at Burlington County (formerly Burlington County College) campus, Burlington Stores distribution center, a new public library, and national and regional retailers along with residential housing. Thus far, the Plan has resulted in 203 new major businesses with over \$2.0 billion in new investment and created more than 3,000 new jobs. The County has also received a State "smart growth" grant to undertake a regional study in the northern Route 206 area, which will result in a plan to provide for commercial growth while retaining the rural character of the ten (10) communities involved. This plan is currently being updated to include four (4) additional communities along the River Line.

Industrial park land costs range from \$60,000 to \$300,000 per acre. Speculative and build-to-suit construction share equally in today's market. Examples of distribution facility construction include: General Service Administration - 1 million square feet; Consumer Value Stores - 488,000 square feet (completed in 1990) and 320,000 square feet addition (completed in 1993); IKEA - 1.2 million square-foot distribution center (began operations in 1992); Office Depot - 160,000 square feet; National Medical Care - 120,000 square feet; and Roosevelt Paper Co. - 465,000 square feet.

Bishops Gate Center, an Office/Industrial Campus located in Mount Laurel Township, is home to Okidata Corporation headquarters, warehouse and assembly facilities and PHH Mortgage Services.

The Haines Center, spanning over 800 acres in Burlington and Florence Townships at NJ Turnpike Exit 6A, offers a variety of building sites and warehousing and distribution facilities ranging from 80,000 square feet to 1,000,000 square feet. The Haines Center is approximately two-thirds complete with tenants including Sports Authority, BJ's Wholesale Club, Christmas Tree Shops and other national companies.

Lockheed Martin recently completed an approximately 72,000 square-foot expansion of its AEGIS Combat System technologies building located in Moorestown Township. The



expansion project, undertaken in conjunction with Lockheed Martin's notification of a ten-year extension of its Navy research and development contract, will add approximately 100 new jobs.

## **Housing**

The County offers the advantages of life in a major metropolitan area without the drawbacks. In the past two decades, Burlington County has seen a 65 percent increase in the number of new homes. There are more than 136,000 residential homes in every price range. According to the latest market figures provided by TREND Multiple Listing Service, the 2016 average settled price of single-family homes in the County was \$241,170. Current construction is keeping pace with the demands of a growing population and expanding business community. Popular housing areas include Burlington Township, Evesham, Mansfield, Medford, Moorestown, Pemberton and Mount Laurel where housing of many types exists and there is significant ongoing development.

## **Military Bases**

The County is home to two military installations, McGuire Air Force Base and Fort Dix Army Reserve Training Center. Both have been given a larger role in the wake of the Base Realignment and Closure ("BRAC") process which has incorporated adjoining Lakehurst Naval Air Station on the eastern border of Fort Dix to create the Joint Base Dix-McGuire-Lakehurst ("Joint Base"). The Joint Base is a combined 42,000 acres central to Philadelphia, New York City and Atlantic City.

McGuire is now one of the largest and most active U.S. Air Force installations on the East Coast, employing 5,000 active duty military plus another 4,000 civilians. About 70 large aircraft are stationed on base. In the 1990s the base received more than \$500 million in new construction. In 2001, the Air Force decided to station the newest cargo airlifter - the Boeing C-17 Globemaster - at the base, securing the base's future for generations. Another \$100 million in new construction has recently been completed.

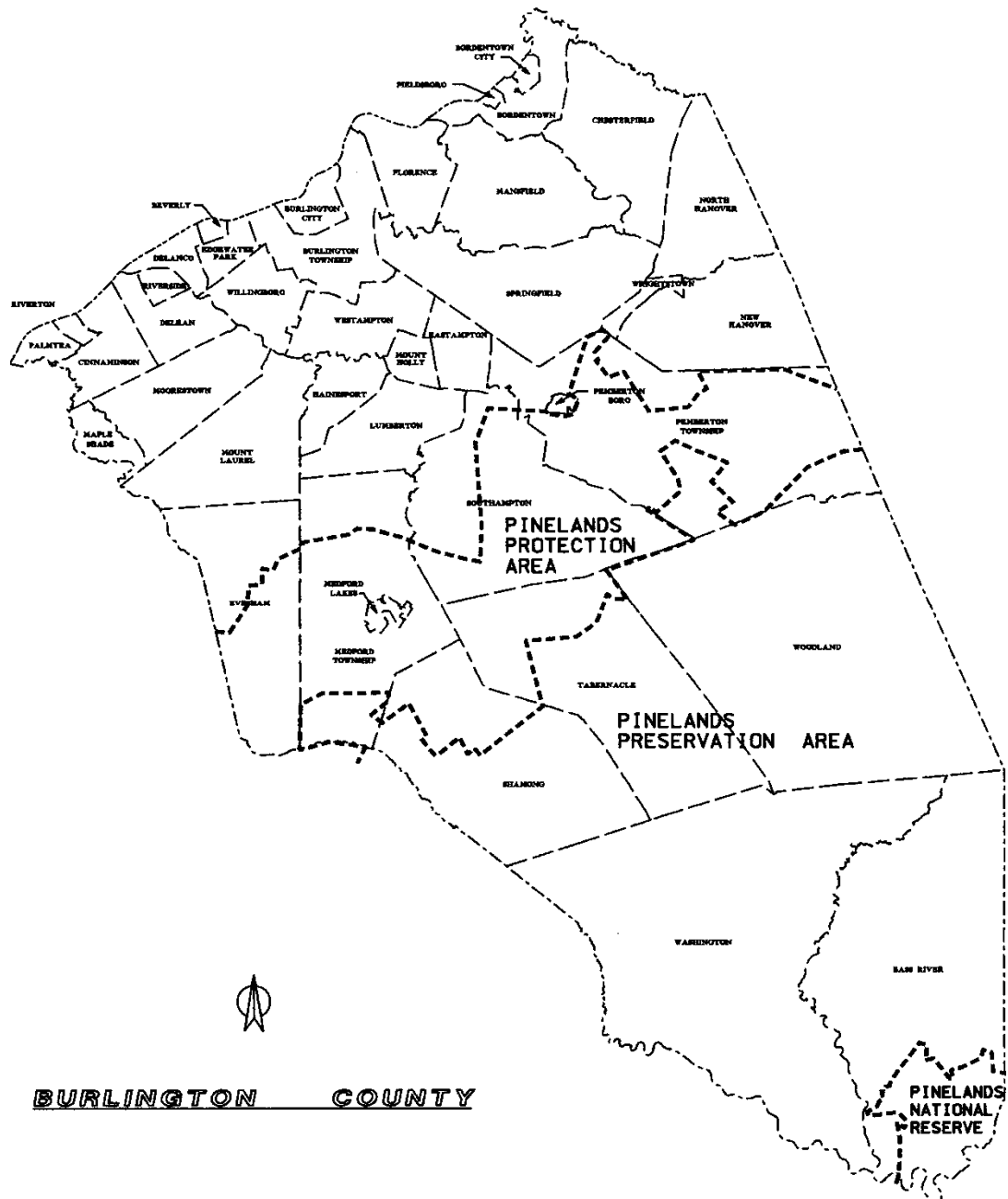
At Fort Dix, the expanding role of the U.S. Reserves in the post-Cold War era has made the post busier than ever. The 50 square mile post has adapted to include new sources of employment, including the largest federal prison in the country and a state youth correctional facility. The Navy, Veterans Affairs, National Oceanic & Atmospheric Administration, National Guard, State Police, FBI and U.S. Coast Guard's environmental cleanup response agency known as the Atlantic Strike Team all have operations out of Fort Dix. Fort Dix employs nearly 4,000 local residents. Additionally, a daily average of over 3,000 reservists train on the post. The Lakehurst Naval Air Engineering Station employs another 3,000 workers.

Fort Dix adds over \$130 million to the local economy each year. McGuire contributes nearly \$500 million annually to the County economy.

After the BRAC announcement in 2006 to create the Joint Base, hundreds of millions of dollars were committed to be spent on construction to create the Joint Base in the next 10 years. Fort Dix and McGuire Air Force Base are expected to get 1,050 and 779 additional jobs, respectively. The Joint Base will create an influx of new construction jobs through key projects

which total approximately \$205.8 million and include a Marine air group headquarters, helicopter hangars, a joint use reserve training center and Navy fleet logistics support squadron aircraft operations and maintenance facility.

### The Pinelands Planning Boundaries in Burlington County



## Pinelands

The legislative mandate to protect the Pinelands is set forth in the National Parks and Recreation Act of 1978, signed by President Carter on November 10, 1978. The Act established the Pinelands National Reserve, encompassing parts of seven southern New Jersey counties and all or parts of 56 municipalities. This includes all or part of parts of 14 County municipalities, totaling 346,600 acres. (The County covers 529,351 acres and is comprised of 40 municipalities). The Act also authorizes the establishment of a planning study responsible for preparing a Comprehensive Management Plan for the Reserve.

To comply with the federal statute, Governor Brendan T. Byrne issued Executive Order 71 on February 8, 1979, providing for the establishment of the Pinelands Planning Commission and making development in the Pinelands area subject to Commission approval during the planning period. In June 1979, the State Legislature passed the Pinelands Protection Act, thereby endorsing the planning restrictions on development. An amendment to this statute divided the Pinelands area into two planning segments, the Preservation and Protection Areas.

The New Jersey Pinelands Comprehensive Management Plan takes its direction from the acts which recognize the unique natural, physical, and cultural qualities of the Pinelands and the pressure for residential, commercial and industrial development.

Following its work program and legislative mandates, the Commission has adopted a plan for the Preservation Area (including 232,400 County acres).

### PINELANDS MUNICIPALITIES WITHIN THE COUNTY

<u>Municipality</u>	<u>Total Area</u> <u>Sq. Miles</u>	<b>Pinelands</b>		
		<u>Nat'l</u> <u>Reserve</u>	<u>Pinelands</u> <u>Area</u>	<u>Preserved</u> <u>Area</u>
Bass River Township	77.4	100%	88%	85%
Evesham Township	29.7	75%	55%	-0-
Medford Lakes Borough	1.3	100%	100%	-0-
Medford Township	40.3	78%	78%	12%
New Hanover Township	21.9	89%	89%	30%
North Hanover Township	17.4	1%	1%	-0-
Pemberton Township	64.7	91%	91%	19%
Shamong Township	46.6	100%	100%	74%
Southampton Township	43.3	74%	74%	-0-
Springfield Township	29.3	2%	2%	-0-
Tabernacle Township	47.6	100%	100%	77%
Washington Township	107.3	100%	-0-	100%
Woodland Township	95.4	100%	-0-	100%
Wrightstown Borough	1.7	74%	74%	-0-

## Shopping Facilities

Shopping facilities in the County are as varied as they are excellent. In addition to the neighborhood stores of each community, the County has two of the nation's finest enclosed

shopping centers in the Moorestown Mall and the Burlington Center. Each center is in excess of 500,000 square feet with over 200 retail stores.

Major department stores located in the Moorestown Mall are Macy's, Sears, Boscovs and Lord & Taylor. The Burlington Center houses Sears and many smaller retail stores. Each mall provides the finest in fashion and household articles.

Eastgate II and Eastgate Square, two shopping retail centers adjacent to the Moorestown Mall, house Home Depot, Old Navy, Dick's Clothing and Sporting Goods, Barnes & Noble, PetSmart, Best Buy, Ross Dress For Less, and Kitchen Kapers.

Built in the Townships of Burlington and Westampton, is the Towne Crossing Shopping Center which houses Home Depot, Target Department Store, Kohl's Department Store, Dick's Clothing and Sporting Goods, TGI Friday's and Office Max.

Hartford Crossing, a shopping center located along Route 130 in Delran Township, contains a Shop Rite supermarket, a Lowes home improvement center and several smaller stores, shops and restaurants.

Centerton Square, which opened in early 2006, is a premier regional open-air shopping center located at the interchange of Interstate 295 and Route 38 in Mount Laurel. The shopping center contains approximately 732,000 square feet of gross floor area with national and regional retail tenants such as Target, Costco, DSW, Sports Authority, Bed Bath & Beyond and Wegmans, an approximately 130,000 square-foot upscale food supermarket.

### **Rowan College at Burlington County (Formerly Burlington County College)**

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or the "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State, accredited by the Middle States Association of Colleges and Schools. In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. In July 2015 it was announced that RCBC will move its main campus to Mount Laurel and close its Pemberton Township campus. The Freeholder Board sponsors the College, appointing nine of the twelve Trustees.

The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995.

The initial building at the 100-acre Mount Laurel campus, located at the intersection of Route 38 and I-295, is the Technology and Engineering Center, a unique partnership of RCBC and Drexel University. RCBC offers freshman and sophomore level courses in engineering, electronics, computer sciences, and other technical and liberal arts subjects, while NJIT offers baccalaureate and master's level programs at the facility. In addition, RCBC operates a widely acclaimed high technology small business incubator at the Mount Laurel Campus and also

operates a nearby classroom annex. Several new facilities opened in 2002 at the Mount Laurel Campus, including the Telecommunications, Business and Science Center and a classroom building to replace the leased space; and a central energy distribution building went into operation in late 2001.

The County College's Fall 2016 enrollment in academic courses was 8,830 students. In addition, the County College serves thousands of other County residents each semester through youth programs, the Learning Institute for Elders, customized training for local businesses, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law (See "COUNTY INDEBTEDNESS – Local Bond Law" and " - Debt of Rowan College at Burlington County (Formerly Burlington County College) and the Burlington County Institute of Technology" herein) except that no down payment is required.

### **Burlington County Institute of Technology**

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses in Westampton and Medford is 2,001 students.

The Burlington County Institute of Technology ("BCIT") is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law (See "COUNTY INDEBTEDNESS – Local Bond Law" and " - Debt of Rowan College at Burlington County (Formerly Burlington County College) and the Burlington County Institute of Technology" herein) except that no down payment is required.

BCIT contributes to the County workforce each year an average of 400 high school seniors certified in one of 28 vocational and technical career areas and, through its Adult School Division, approximately 1,800 adults who have completed either a certification or licensing program in one of the 32 vocational programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

### **Burlington County Special Services School District**

The Burlington County Special Services School District was created by the Board in June 1972. The District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton and Medford and programs are provided for: (1) the orthopedically

handicapped, the multiple handicapped and the autistic; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen through sixteen with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen to twenty-one. The enrollment for the Special Services School District is 695 students.

## **Recreation**

The County provides a wealth of recreational opportunities, including eleven public and private golf courses, several marinas, areas for gunning, fishing and hiking and displays of historical interest. All or part of six state forests and parks, including Wharton State park, are located in the County. The Wharton Mansion and the Village of Batsto have been restored to their appearance in colonial times.

In 1975, the County acquired the Smithville Estate, a 251-acre tract located in the southeast corner of Eastampton Township, and developed it as the County's first park. Included in the acquisition was the historic H.B. Smith Mansion which has been restored and houses many fine cultural and heritage activities. Smithville Lake is being developed into a many faceted water related recreational center.

The County is also actively developing a new Parks System which will provide access to the Delaware River and the Rancocas Creek, a variety of hiking and biking trails and other recreational amenities. The County has fourteen (14) parks with more than 1,000 acres of developed parkland, 3,500 acres of land slated for park development, and a regional trail system that will provide a link between the parks.

Museums and galleries are also an important part of County culture. The County has seven (7) cultural points of interest for people to visit: the Burlington County Lyceum of History and Natural Sciences, the Prison Museum, the Smithville Annex Gallery, the Smithville Visitor Center, the Warden's House Gallery, the Worker's House and Gallery, and the Underground Railroad Museum.

## **Business Atmosphere**

The business community in the County is both sophisticated and diverse. Products range from handcrafted yachts to cranberry juice, from films of professional football games to fabrics which protect American astronauts. Firms producing computers, electronics, bio-medical machinery, fabricated metals and food products, along with insurance and financial firms, lead the private community.

From 2010 to 2014, the number of firms located in the County increased from 10,395 to 10,531, an increase of 1.3%. During the same time period, employment in the County expanded from 173,658 to 180,008, an increase of 3.7%<sup>1</sup>.

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<sup>1</sup> Source: US Census Bureau <http://www.census.gov/quickfacts/table/BZA010214/34005,00>

## **Health Care**

There are six (6) outstanding medical facilities located in the County. These include the world famous Deborah Heart and Lung Center, Virtua Health Systems in Mount Holly and Marlton, Rancocas Hospital which is affiliated with the Lourdes Health System, Walson Army Hospital, and Hampton Hospital.

## **Labor Contracts**

There are four (4) CWA Local #1036 units representing County employees: (1) the Main Unit; (2) the Supervisory Unit; (3) the Superintendent of Elections; and (4) the Prosecutor's Office Clerical Unit. Between March and June of 2013, the County entered into Collective Negotiations Agreements with each of these Units, covering the time period of January 1, 2011 through December 31, 2013. In March 2015, the County approved the execution of a Memorandum of Agreement with the CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 1, 2014 through December 31, 2015. On December 9, 2015, the Board of Chosen Freeholders approved the execution of Collective Negotiations Agreements between the County and CWA Local #1036, Main Unit, Supervisory Unit and Superintendent of Elections covering the time period of January 14, 2014 through December 31, 2015. On December 9, 2015, a Memorandum of Agreement between the County and CWA Local #1036, Prosecutor's Office Clerical Unit was approved for the period of January 1, 2014 through December 31, 2015. This Memorandum of Agreement was also ratified by the members of CWA Local #1036, Prosecutor's Office Clerical Unit. Negotiations for a successor Collective Negotiations Agreement are ongoing.

PBA Local #249 represents County corrections officers and superior corrections officers. The County received an interest arbitration award on November 26, 2012 for the corrections officers' unit covering the period of January 1, 2012 through December 31, 2014. Pursuant to State law, the terms of the award have been implemented. The contract with the superior corrections officers expired on December 31, 2011. The County reached a Memorandum of Agreement with the superior corrections officers bargaining unit which was ratified by both the Board of Chosen Freeholders of the County and respective unit members. Negotiations for a successor Collective Negotiations Agreement with the Corrections Officers unit are ongoing. Negotiations with the Superior Officers unit have not yet commenced.

All County Sheriffs' Officers are represented by FOP Lodge #166. In September 2013, the parties received an interest arbitration award that covers the time period of January 1, 2009 through December 31, 2011 and, in October 2013, the parties memorialized the arbitration award in a Collective Negotiations Agreement. The County approved a successor Collective Negotiations Agreement in December, 2014, covering the time period of January 1, 2012 through December 31, 2017. The Collective Negotiations Agreement was executed on February 20, 2015.

On March 23, 2016, a Collective Negotiations Agreement between the Board of Chosen Freeholders and PBA Local #320, Detectives and Investigators was approved for the period of

January 1, 2014 through December 31, 2016. This Collective Negotiations Agreement was also ratified by the members of PBA Local #320, Detectives and Investigators.

On December 9, 2015, a Memorandum of Understanding between the Board of Chosen Freeholders and PBA Local #320, Sergeants and Lieutenants was approved for the period of January 1, 2011 through December 31, 2016. This Memorandum of Understanding was also ratified by the members of PBA Local #320, Sergeants and Lieutenants. Negotiations for a successor Collective Negotiations Agreement are ongoing. In October 2016, the parties executed a Collective Negotiations Agreement covering the time period of January 1, 2014 through December 31, 2016.

The Assistant Prosecutors Association was formed in 2010 and the parties were engaged in negotiations for over two (2) years for an initial contract. On June 12, 2013, the County approved a form of contract with this Unit that covers the time period of January 1, 2010 through December 31, 2013. The Collective Negotiations Agreement was executed on June 26, 2013. In November, 2014, the parties executed a successor agreement covering the time period January 1, 2014 through December 31, 2016.

### **Accumulated Vacation and Sick Pay**

Under the existing policies of the County, employees upon retirement will receive one-half of the accumulated unused sick leave to a maximum of \$15,000. Unused accumulated vacation is paid for at straight time.

As of December 31, 2016, the accumulated cost of unused sick and vacation time has been calculated as \$6,722,548.16, but has not been recorded in the financial statements. These charges are paid when an employee leaves the employment of the County from a dedicated reserve account. This reserve account is replenished each year from monies appropriated in the annual budget.

### **Pension Costs**

Those County employees who are eligible for pension coverage are enrolled in one of three pension systems established by acts of the State Legislature. Benefits, contributions, means of the funding and the manner of administration are determined by the State.

### **County Employees**

As of December 31, 2016, the County employed 1,255 full-time employees and 169 part-time employees.

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## TWENTY LARGEST TAXPAYERS<sup>1</sup>

The following is a list of the 20 largest taxpayers located within the County and their 2015 assessed valuations:

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>
Whitesell Enterprises	Real Estate/Construction	\$379,038,300
Rouse-Moorestown, Inc.	Moorestown Mall	127,080,100
Davis & Associates	Real Estate/Hotel	121,774,800
Brandywine Operating Partnership	Real Estate	104,989,600
Eastgate Center	Real Estate	96,414,100
Deerfield Associates	Apartments	88,361,200
East Coast Apartments	Apartments	83,322,800
TD Bank	Financial Institution	74,136,000
Verizon	Public Utility	69,085,772
Mack-Cali Realty Corporation	Real Estate	63,201,400
P.S.E.&G.	Public Utility	62,895,700
Maplewood III, LLC	Apartments	58,554,500
The Estaugh	Senior Citizen Housing	58,270,400
Lockheed Martin	Defense Contractor	51,082,500
Centerton Square	Real estate	48,718,700
CVS Pharmacy	Pharmaceuticals	48,308,000
1900 River Road, LLC	Office/Warehouse	40,561,800
Berk & Berk at Hunters Glen, LLC	Apartments	40,415,500
N.A.D.E.	Automotive	38,270,600
Mt. Laurel Crossing, LLC	Apartments	38,018,400

## TEN LARGEST PRIVATE EMPLOYERS<sup>2</sup>

Lockheed Martin	3,450
TD Bank	3,388
Virtua Memorial Hospital	2,390
Burlington Coat Factory	2,338
PHH Mortgage	1,850
CVS Corporation	1,240
Automotive Resources International (ARI)	1,200
Viking Yacht Co. Corp.	1,100
Deborah Heart and Lung Center	1,050
Eickhoff ShopRites	1,026

By comparison, the County employed 1,255 full-time employees as of December 31, 2016

<sup>1</sup> Source: Burlington County Board of Taxation.

<sup>2</sup> Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2015.

## 2016 COUNTY BUDGET<sup>1</sup>

### CURRENT FUND

#### ANTICIPATED REVENUES:

Fund Balance	\$6,040,000.00
Miscellaneous Revenues	37,163,559.00
Amount to be Raised by Taxation – County Purpose	<u>155,500,000.00</u>

**TOTAL ANTICIPATED REVENUES** \$198,703,559.00

#### APPROPRIATIONS:

Operations	\$151,104,196.00
Debt Service	32,187,881.00
Deferred Charges & Statutory Expenditures	<u>15,411,482.00</u>

**TOTAL APPROPRIATIONS** \$198,703,559.00

### SOLID WASTE UTILITY

#### ANTICIPATED REVENUES:

Fund Balance	\$3,549,660.00
Miscellaneous Revenues:	
Sludge Disposal Fees	2,500,000.00
Solid Waste Fees *	22,334,000.00
Miscellaneous	<u>4,073,580.00</u>

**TOTAL ANTICIPATED REVENUES** \$32,457,240.00

#### APPROPRIATIONS:

Operating	\$20,404,061.00
Debt Service	11,482,860.00
Deferred Charges and Statutory Expenditures	<u>570,319.00</u>

**TOTAL APPROPRIATIONS** \$32,457,240.00

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\* Solid waste tipping fees for 2016 are currently being billed at \$79.18 per ton (consisting of the base rate of \$71.29 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton) and assumes 2015 solid waste tonnages, without solid waste "flow control". See "SOLID WASTE FLOW CONTROL" herein for a discussion of the re-institution of solid waste "flow control" in the County as of June 15, 2012.

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<sup>1</sup> The 2016 County Budget was adopted on July 13, 2016.

**CAPITAL PROGRAM<sup>1</sup>**  
**PROJECTS FOR THE YEARS 2016-2021**

	<b><u>ESTIMATED TOTAL COST</u></b>	<b><u>BOND AND NOTES GENERAL</u></b>	<b><u>GRANTS IN AID AND OTHER FUNDING</u></b>	<b><u>FUTURE YEARS</u></b>
Design, construction, reconstruction and resurfacing of various roadways, bridges and drainage systems, including acquisition of various right-of-way easements therefore, within the County and improvements to various traffic signal systems within the County	\$192,582,350	\$23,579,000	\$23,313,600	\$145,689,750
Acquisition of minor capital equipment for various County departments	3,840,020	1,287,340		2,552,680
Renovations and Improvements to the Juvenile Detention Facility and CWRC	4,366,000	100,000		4,266,000
Acquisition of Vehicles for Various County Departments	11,089,600	1,850,000		9,239,600
Renovations and Improvements to the Human Services Building	2,750,000	2,750,000		-
Renovations and Improvements and Remediation at Various County Facilities	17,812,000	9,502,000		8,310,000
<b>TOTALS</b>	<b><u>\$232,439,970</u></b>	<b><u>\$39,068,340</u></b>	<b><u>\$23,313,600</u></b>	<b><u>\$170,058,030</u></b>

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<sup>1</sup> The 2016-2021 County Capital Program was adopted on July 13, 2016.

## **TAX COLLECTIONS<sup>1</sup>**

<b><u>YEAR</u></b>	<b><u>TAX LEVY</u></b>	<b><u>COLLECTED AMOUNT</u></b>	<b><u>YEAR OF LEVY PERCENTAGE</u></b>
2016	\$155,500,000.00	\$155,500,000.00	100%
2015	155,523,014.00	155,523,014.00	100%
2014	152,523,014.00	152,523,014.00	100%
2013	153,082,777.83	153,082,777.83	100%
2012	148,049,819.00	148,049,819.00	100%
2011	154,250,000.00	154,250,000.00	100%

## **EQUALIZED VALUATIONS ON WHICH COUNTY TAXES ARE APPROPRIATED AND ANNUAL COUNTY TAX RATE**

<b><u>YEAR</u></b>	<b><u>EQUALIZED VALUATIONS</u></b>	<b><u>COUNTY TAX RATE<sup>2</sup></u></b>
2016	\$46,537,864,890	0.3360
2015	\$45,775,613,439	0.3413
2014	45,777,005,659	0.3354
2013	46,329,111,779	0.3341
2012	48,206,959,031	0.3091
2011	50,005,099,970	0.3096

## **COUNTY OPEN SPACE, RECREATION, AND FARMLAND AND HISTORIC PRESERVATION TRUST FUND**

<b><u>YEAR</u></b>	<b><u>TAX RATE<sup>2</sup></u></b>
2016	0.0400
2015	0.0400
2014	0.0150
2013	0.0150
2012	0.0400
2011	0.0400

## **COUNTY LIBRARY TAX**

The County has a County Library for which there is a separate county library tax rate based upon equalized valuations for those constituent municipalities that participate.

<b><u>YEAR</u></b>	<b><u>COUNTY LIBRARY TAX RATE<sup>3</sup></u></b>
2016	0.0312
2015	0.0317
2014	0.0308
2013	0.0302
2012	0.0291
2011	0.0293

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<sup>1</sup> County taxes are levied and collected directly from the constituent municipalities.

<sup>2</sup> Per \$100 of equalized valuation.

<sup>3</sup> Excludes the Townships of Moorestown, Mount Laurel and Willingboro, which operate their own libraries from their municipal budgets.

**COUNTY OF BURLINGTON, NEW JERSEY  
2016 REAL PROPERTY CLASSIFICATION**

VACANT	\$542,561,300	1.26%
RESIDENTIAL	33,752,264,825	78.19
FARM	520,567,539	1.21
COMMERCIAL	5,625,557,512	13.03
INDUSTRIAL	1,492,953,012	3.46
APARTMENTS	<u>1,235,458,550</u>	<u>2.86</u>
TOTAL <sup>1</sup>	<u>\$43,169,362,738</u>	<u>100.00%</u>

**FIVE YEAR COMPARISON  
REAL PROPERTY CLASSIFICATION**

	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
VACANT	\$ 589,256,500	\$ 558,566,960	\$ 579,022,450	\$ 546,872,420	\$ 542,561,300
RESIDENTIAL	33,344,354,747	32,666,054,147	33,408,876,262	33,448,862,807	33,752,264,825
FARM	580,500,255	562,261,807	540,411,604	529,598,244	520,567,539
COMMERCIAL	5,324,136,405	5,235,997,822	5,862,422,382	5,824,277,412	5,625,557,512
INDUSTRIAL	1,517,321,023	1,414,711,023	1,506,113,623	1,497,314,612	1,492,953,012
APARTMENTS	<u>1,174,677,950</u>	<u>1,146,220,550</u>	<u>1,211,644,450</u>	<u>1,214,841,550</u>	<u>1,235,458,550</u>
TOTAL <sup>1</sup>	<u>\$42,530,246,880</u>	<u>\$41,583,812,309</u>	<u>\$43,108,490,771</u>	<u>\$43,061,767,045</u>	<u>\$43,169,362,738</u>

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<sup>1</sup> Does not include taxable value of machinery, etc., of Telephone, Telegraph and Messenger System Companies.

# STATEMENT OF EQUALIZED VALUATIONS FOR CONSTITUENT MUNICIPALITIES

	2016			2015			2014		
	Equalized Value-Land and Improvements	Valuation on Which County Taxes are Apportioned	Per- centage (1)	Equalized Value-Land and Improvements	Valuation on Which County Taxes are Apportioned	Per- centage (1)	Equalized Value-Land and Improvements	Valuation on Which County Taxes are Apportioned	Per- centage (1)
Bass River Township	\$170,483,000	\$190,269,922	0.41%	\$159,113,790	\$177,090,274	0.39%	\$160,759,601	\$176,983,552	0.39%
Beverly City	120,348,200	117,741,157	0.25%	119,964,000	113,492,888	0.25%	121,033,423	117,961,711	0.26%
Bordentown City	331,157,100	339,858,515	0.73%	333,656,606	356,200,013	0.78%	338,871,933	348,002,787	0.76%
Bordentown Township	1,156,887,862	1,296,216,501	2.79%	1,159,654,679	1,307,744,435	2.86%	1,177,714,026	1,305,555,102	2.85%
Burlington City	628,160,600	651,053,946	1.40%	630,266,300	659,360,579	1.44%	635,439,610	636,874,099	1.39%
Burlington Township	2,243,604,957	2,521,626,938	5.42%	2,192,554,551	2,293,204,680	5.01%	2,209,715,236	2,241,817,759	4.90%
Chesterfield Township	746,281,700	744,392,758	1.60%	730,924,803	729,679,569	1.59%	724,377,407	709,845,894	1.55%
Cinnaminson Township	1,605,926,100	1,801,221,799	3.87%	1,594,967,472	1,753,305,792	3.83%	1,591,367,241	1,736,176,256	3.79%
Delanco Township	393,669,100	423,670,883	0.91%	391,641,394	423,688,729	0.93%	392,036,500	416,394,770	0.91%
Delran Township	1,403,166,692	1,501,077,722	3.23%	1,399,747,792	1,538,686,754	3.36%	1,403,370,633	1,556,849,076	3.40%
Eastampton Township	428,323,700	454,684,509	0.98%	428,042,701	465,975,489	1.02%	428,423,586	473,952,326	1.04%
Edgewater Park Township	595,612,900	535,568,359	1.15%	604,096,000	583,599,733	1.27%	608,503,020	654,847,299	1.43%
Evesham Township	5,202,168,931	5,217,975,982	11.21%	5,221,728,920	5,137,560,602	11.22%	5,196,459,478	5,047,116,559	11.03%
Fieldsboro Borough	52,721,100	50,544,415	0.11%	53,083,927	48,871,862	0.11%	56,132,471	51,971,077	0.11%
Florence Township	1,246,035,100	1,196,012,460	2.57%	1,257,944,541	1,165,611,174	2.55%	1,271,538,445	1,207,951,318	2.64%
Hainesport Township	760,786,600	801,527,067	1.72%	761,053,271	780,920,684	1.71%	762,750,681	780,765,445	1.71%
Lumberton Township	1,391,295,993	1,325,005,976	2.85%	1,391,372,996	1,349,818,549	2.95%	1,396,460,946	1,349,322,042	2.95%
Mansfield Township	983,279,900	1,201,640,486	2.58%	953,750,426	1,132,466,963	2.47%	951,355,510	1,130,517,781	2.47%
Maple Shade Township	1,282,778,800	1,415,073,933	3.04%	1,294,374,032	1,431,769,335	3.13%	1,296,656,400	1,534,967,517	3.35%
Medford Township	2,980,269,200	3,278,863,014	7.05%	2,972,790,205	3,128,816,643	6.84%	2,970,853,153	3,145,328,147	6.87%
Medford Lakes Borough	449,451,500	450,141,350	0.97%	450,102,534	456,160,836	1.00%	450,478,663	460,648,829	1.01%
Moorestown Township	4,010,412,400	4,782,077,915	10.28%	3,972,812,386	4,680,281,660	10.22%	3,941,183,000	4,286,254,866	9.36%
Mount Holly Township	652,601,500	595,356,898	1.28%	646,720,773	595,346,901	1.30%	650,202,657	596,263,126	1.30%
Mount Laurel Township	5,773,518,400	6,293,131,625	13.52%	5,790,653,194	6,156,453,923	13.45%	5,786,157,100	6,395,426,411	13.97%
New Hanover Township	60,841,800	82,638,973	0.18%	60,508,768	80,362,839	0.18%	62,026,574	70,439,357	0.15%
North Hanover Township	424,369,303	420,863,296	0.90%	422,232,797	402,532,175	0.88%	420,203,797	410,445,398	0.90%
Palmyra Borough	478,067,800	517,425,175	1.11%	478,745,221	542,714,144	1.19%	479,413,048	532,700,762	1.16%
Pemberton Borough	102,986,200	111,093,089	0.24%	64,341,100	115,140,316	0.25%	64,880,124	113,811,512	0.25%
Pemberton Township	882,670,735	1,454,842,682	3.13%	884,792,871	1,458,915,651	3.19%	885,654,630	1,483,929,960	3.24%
Riverside Township	438,314,350	424,345,644	0.91%	439,090,250	423,780,750	0.93%	444,648,262	433,814,119	0.95%
Riverton Borough	242,229,300	263,576,762	0.57%	241,817,400	255,483,001	0.56%	241,818,548	257,409,225	0.56%
Shamong Township	662,337,300	696,748,862	1.50%	663,723,231	710,855,608	1.55%	663,739,219	697,344,083	1.52%
Southampton Township	995,642,900	1,087,854,735	2.34%	997,652,324	1,078,910,814	2.36%	998,205,573	1,081,686,129	2.36%
Springfield Township	383,696,840	401,868,515	0.86%	386,308,823	391,454,551	0.86%	391,255,670	402,201,912	0.88%
Tabernacle Township	659,565,200	696,833,739	1.50%	660,302,094	706,133,339	1.54%	663,059,703	698,645,267	1.53%
Washington Township	95,951,700	93,224,871	0.20%	96,350,955	97,297,599	0.21%	96,142,541	96,996,621	0.21%
Westampton Township	1,153,495,800	1,170,562,416	2.52%	1,146,278,979	1,091,864,932	2.39%	1,176,955,207	1,165,838,789	2.55%
Willingboro Township	1,870,579,900	1,754,858,163	3.77%	1,877,469,900	1,777,756,320	3.88%	1,877,738,674	1,794,270,588	3.92%
Woodland Township	159,486,100	141,681,141	0.30%	162,435,300	140,637,097	0.31%	166,705,823	135,919,196	0.30%
Wrightstown Borough	25,947,500	34,712,697	0.07%	26,219,850	35,666,236	0.08%	26,290,850	39,758,992	0.09%
	<u>\$43,245,124,063</u>	<u>\$46,537,864,890</u>	<u>100.00%</u>	<u>\$43,119,287,156</u>	<u>\$45,775,613,439</u>	<u>100.00%</u>	<u>\$43,180,578,963</u>	<u>\$45,777,005,659</u>	<u>100.00%</u>

Source: County Abstract of Ratables

(1) Represents portion of County taxes levied on constituent municipalities.

## **CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS**

### **Annual Audit (N.J.S.A. 40A:5-4)**

Since 1917, every county of the State must be audited annually by a Registered Municipal Accountant of the State. The annual audit, conforming to the Division of Local Government Services "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the county and the Director of the Division of Local Government Services in the State Department of Community Affairs ("Director") prior to June 30 of each year unless extensions are granted.

The New Jersey State Board of Accountancy regulates Registered Municipal Accountants.

### **Annual Financial Statement (N.J.S.A. 40A:5-12)**

An Annual Financial Statement must be filed with the Director and is due by January 26 of the succeeding year. The Financial Statement is prepared by the Chief Financial Officer for the County. It reflects the results of operations of the year of the Current Fund and Solid Waste Utility Fund. If there is a cash deficit in the fund it must be included in full in the succeeding year's budget.

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

In 1939, the State enacted a law requiring every county to adopt the annual budget on a "cash basis". Every budget, after approval by the local unit, must be certified by the Director before final adoption.

The statute requires each county to appropriate funds for annual debt service, and the Director is required to review the adequacy of these appropriations.

The Director is also required to review each budget to be certain that no revenues are anticipated in excess of the cash realized in the prior year. Any deviation must be approved by the Director. A Reserve For Uncollected Taxes (hereinafter defined) must be included in the budget predicated upon the close of the fiscal year December 31.

### **Revenue**

The County derives its revenue from State and Federal Aid, departmental fees and tax levy on real property. The primary source of revenue is the County taxes, which are apportioned among the constituent municipalities in proportion to their share of equalized, assessed valuation.

The municipalities in the County make quarterly payments of the County taxes on February 15, May 15, August 15 and November 15 of each year.

## Cap Law (*N.J.S.A. 40A:4-45.4*)

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 local unit 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 local unit to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the local unit to pay debt service on the bonds and notes. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

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

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



## **Miscellaneous Revenues (*N.J.S.A. 40A:4-26*)**

The Local Budget Law provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit".

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation.

## **Real Estate Taxes**

The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. *N.J.S.A. 40A:4-29* delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year".

Section 41 of the Local Budget Law provides with regard to the 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 December 31, of such preceding fiscal year".

Section 40 of the Local Budget Law requires that an additional amount ("Reserve For Uncollected Taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will be at least equal to the tax levy required to balance the budget.

## **Deferral of Current Expenses**

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the Board.

Such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the previous year's adopted operating budget, consent of the Director must be obtained.

## **Budget Transfers (*N.J.S.A. 40A:4-58*)**

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 sub-accounts within an appropriation are not subject to the same year-end transfer restrictions, they are subject to internal review and approval.

### **Capital Budget (N.J.S.A. 40A:4-43 through 40A:4-45)**

The Local Finance Board in the Division of Local Government Services in the State Department of Community Affairs ("Local Finance Board") has required every local unit to prepare and to 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 shall also adopt a capital program not to exceed six years in length.

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

In the general election of November 2, 1976, as amended by the general election of November 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 incomes 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 of all of the members of each house of the Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all 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 disapproval.

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

The rights and remedies of the registered owners of bonds and notes issued by the County 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 government 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 State Municipal Finance Commission Act. This Act provides that such petitions may not be filed without the prior approval of the Municipal Finance Commission ("Commission") and that no plan or readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so. See "COUNTY INDEBTEDNESS - The Municipal Finance Commission" herein.

The above references to the Bankruptcy Code are not to be construed as an indication that the County expects to resort to the provisions of the 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 for the bonds and notes issued by the County.

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.

## **COUNTY INDEBTEDNESS**

### **Local Bond Law (*N.J.S.A. 40A:2-1 et seq.*)**

The Local Bond Law governs the issuance of bonds and notes by the County to finance certain capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded, that bonds be retired in serial installments and that cash down payments equal to at least five percent of the bond authorization be generally provided.

### **Debt Limitation (*N.J.S.A. 40A:2-6*)**

The authorized bond indebtedness of the County is limited by statute, subject to the exceptions as noted below, to an amount equal to two percent of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three years of the sum total of the equalized value of all taxable real property and improvements and the assessed valuation of certain Class II railroad property within its boundaries as annually determined by the Director of the Division of Taxation in the State Department of the Treasury. The County is within its two percent debt limit. See "DEBT RATIOS AND VALUATIONS" herein.

### **Exceptions to Debt Limit-Extensions of Credit (*N.J.S.A. 40A:2-7*)**

The debt limit of the County may be exceeded with the approval of the Local Finance Board, a State regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the County must 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 ability of the County to meet its obligations or to provide essential services or make other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Local Finance Board to fund certain notes and for self-liquidating purposes and in each fiscal year in an amount not exceeding two-thirds of the amounts

budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for assessments and utility purposes).

#### **Short Term Financing (*N.J.S.A. 40A:2-8*)**

The County may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are full faith and credit obligations of the County, may be issued for a period not exceeding one year. They may be renewed for additional periods not exceeding one year. However, all such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes.

#### **The Municipal Finance Commission (*N.J.S.A. 52:27-1 et seq.*)**

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.

#### **Debt of Rowan College at Burlington County (Formerly Burlington County College), the Burlington County Institute of Technology and the Burlington County Special Services School District**

The County College, BCIT (County vocational school) and Burlington County Special Services School District are not permitted to issue debt obligations. Instead, the County itself must issue debt for County College projects in accordance with *N.J.S.A. 18A:64A-19 et seq.*, which generally requires compliance with the Local Bond Law except that no down payment is required.

The County itself must also issue debt for BCIT projects in accordance with *N.J.S.A. 18A:54-31* and for Burlington County Special Services School District projects in accordance with *N.J.S.A. 18A:46-42* each of which, likewise, generally require compliance with the Local Bond Law except that debt limitations and down payment requirements contained in the Local Bond Law do not apply.

## **SOLID WASTE UTILITY**

The County owns and operates the Burlington County Resource Recovery Complex located in the Townships of Florence and Mansfield, New Jersey ("Complex") which provides solid waste processing and disposal services in accordance with the New Jersey Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey, as amended and supplemented, and the regulations promulgated thereunder (collectively, the "Solid Waste Management Act"). The Complex consists of two sanitary landfills (respectively, "Landfill No. 1" and "Landfill No. 2"), processing and storage facilities for bulky waste and recyclables, a scale house, a research greenhouse, a hazardous waste facility for household and small quantity generator waste, a leachate/wastewater treatment facility, maintenance facilities, a co-composting facility, and a methane gas electric generating facility. Pursuant to *N.J.S.A. 13:1E-27*, the Complex is deemed a public utility ("Utility") and subject to the jurisdiction of the New Jersey Department of Environmental Protection ("NJDEP"). Authority for the economic regulation of the solid waste industry was formally vested with the Board of Public Utilities. By order dated February 1, 1989, the State Board of Public Utilities issued a Certificate of Public Convenience and Necessity and awarded a solid waste disposal franchise to the Board for Waste Types 10, 13, 23, 25 and 27.

Between February 1989 and December 1999, solid waste was deposited in the 54-acre Landfill No. 1. Landfill No. 1 was capped and closed in February 2003. In November 1997, the County received approval from the NJDEP to construct Landfill No. 2, consisting of 69 acres and containing 26 sections ranging in size from 2 to 4.2 acres. Landfill No. 2 was designed to be constructed in five (5) phases and began accepting solid waste in August 1999. The County completed construction of Phases 1 through 5 (sections 1-26) in December 2013. In addition, the County has begun construction of Phase 6, which is a horizontal expansion of Landfill No. 2 to provide for the County's waste disposal needs through the year 2027. Upon completion of this Phase 6 preliminary engineering and design work, the County submitted a permit application for Phase 6 with the NJDEP in October 2014.

The finances of the Complex are governed pursuant to the County Solid Waste Disposal Financing Law, *N.J.S.A. 40:66A-31.1 et seq.* As a solid waste Utility, the Complex is deemed to be a self-liquidating purpose if the cash receipts from fees, rents or other charges in a fiscal year are sufficient to meet operating and maintenance costs and interest and debt redemption charges payable in such year without recourse to general taxation.

The Utility is supported by revenues generated by the operation of the Complex. A separate budget is established for the Utility. The anticipation of revenues and appropriations for the Utility is set forth in such separate budget, which is required to be balanced and to fully provide for debt service. See "2016 COUNTY BUDGET - SOLID WASTE UTILITY" herein. The State budget regulations for local governments, including the County, 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 the Utility surplus, if any, are required to be

raised in the "current" or operating budget of the local government. See "CERTAIN PROVISIONS OF THE LAWS OF NEW JERSEY RELATING TO COUNTY FINANCIAL OPERATIONS" herein for a description of the budgeting process for counties and municipalities in the State. The debt obligations issued by the County incident to the Complex are general obligations of the County, payable ultimately from *ad valorem* taxes levied upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount to the extent payment is not otherwise provided from the Utility.

### **SOLID WASTE FLOW CONTROL**

Pursuant to the Solid Waste Management Act, a County-wide solid waste management system has been implemented by the County in accordance with the Burlington County District Solid Waste Management Plan ("County Plan"). The County Plan was approved by the NJDEP on December 13, 1979. Landfill No. 1 opened in February 1989 and the County directed solid waste generated from within the County to Landfill No. 1 pursuant to the State of New Jersey's waste flow control system.

On May 16, 1994, the Supreme Court of the United States held that certain "flow control" legislation was unconstitutional in the case of C & A Carbone v. Clarkstown, 128 L.Ed. 2d 399 (1994). The County-wide solid waste management system was determined to be unconstitutional based upon the decision in Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County, 112 F.3d 652 (3d Cir. 1997). In response thereto, the County made certain amendments to its solid waste management system in accordance with the findings of the federal courts in the *Atlantic Coast* case and the requirements of the Solid Waste Management Act and related statutes. The first County Plan Amendment occurred in September 1997 ("Amendment 97-1"). Amendment 97-1 set forth a plan for the County to procure voluntary service contracts for the disposal of solid waste with municipalities, solid waste haulers and waste generators to ensure sufficient revenues to meet its financial obligations at the Complex. Currently, the County has executed solid waste delivery agreements with thirty-seven out of forty of its constituent municipalities for waste processing and disposal services and recycling collection services through December 31, 2016 or later.

On April 30, 2007, the Supreme Court of the United States held that a waste flow control ordinance that directed waste to a facility owned and operated by a public entity was not unconstitutional under the decision in United Haulers Association v. Oneida Herkimer Solid Waste Management Authority, 550 U.S. 330 (2007). As a result of the U.S. Supreme Court's decision, on December 14, 2011, the Board of Chosen Freeholders of the County adopted a further amendment to the County Plan ("Amendment 11-3") which was similar in its effect to the ordinance upheld in the Oneida Herkimer case. Amendment 11-3 was approved by Order of the NJDEP Commissioner dated June 15, 2012. Amendment 11-3 designates the Complex as the designated solid waste (flow control) disposal facility for solid waste types 10, 23 and 25 generated by any residential, public, commercial, industrial or institutional establishment located within the County and continues the County's policy of not accepting out-of-County waste for disposal at Landfill No. 2 but continuing to permit delivery of out-of-County recyclables to the recycling and co-composting facilities at the Complex.

The Complex processed 315,898 tons of solid waste in 2015 for which 2015 solid waste tipping fees were assessed and paid and was self-liquidating. The County's 2015 solid waste

tipping fee was \$77.78 per ton (consisting of the base rate of \$69.89 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton). On July 13, 2016, the County adopted a 2016 Solid Waste Utility budget that was self-liquidating. The 2016 Solid Waste Utility budget assumed 2015 solid waste tonnage, which included additional tonnage that was delivered to the Complex as a result of the re-institution of flow control pursuant to Amendment 11-3. See "2016 COUNTY BUDGET – SOLID WASTE UTILITY" herein. The County's 2016 solid waste tipping fee is \$79.18 per ton (consisting of the base rate of \$71.29 per ton, Recycling Enhancement Tax of \$3.00 per ton, Host Community Benefit fees of \$3.06 per ton, Sanitary Landfill Closure and Contingency Fund Tax of \$1.50 per ton, and County solid waste enforcement fee of \$0.33 per ton).

### **OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST**

On November 5, 1996 and November 3, 1998, pursuant to P.L. 1997, c. 24 (*N.J.S.A. 40:12-15.1 et seq.*), the voters of the County authorized the establishment of the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund effective January 1, 1997. For the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland or open space, the County proposed to levy a tax not to exceed two cents per one hundred dollars of equalized valuation for fifteen years. The revenue raised by the first cent is devoted to the acquisition of farmlands for farmland preservation. The revenue raised by the second cent is devoted to any of the purposes of the law. Amounts raised by taxation are apportioned by the County Board of Taxation among the constituent municipalities in accordance with *N.J.S.A. 54:4-9* and are assessed, levied and collected in the same manner and at the same time as other County taxes. In November 1998, the County increased the levy by two cents to four cents per one hundred dollars of equalized valuation until 2018. In the general election in November 2006, the voters of the County authorized extending the sunset provisions until 2035. Future changes to the tax rate or levy must be authorized by referendum. All revenues received are accounted for in a Trust Fund dedicated by rider (*N.J.S.A. 40A:4-39*) for the purpose stated. Interest earned on the investment of these funds is credited to the Burlington County Open Space, Recreation, Farmland and Historic Preservation Trust Fund. The amount of the tax levy is set annually by resolution adopted by the Board of Chosen Freeholders of the County. In 2016, the Board of Chosen Freeholders of the County adopted a resolution to maintain the levy at four cents (\$0.04) per one hundred dollars of equalized valuation.

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**COUNTY OF BURLINGTON, NEW JERSEY  
STATEMENT OF INDEBTEDNESS**

**As of December 31, 2016**

**BONDS AND NOTES ISSUED:**

**Serial Bonds Issued:**

General	\$154,973,866	
Vocational School	8,406,023	
Special Services School District	7,817,208	
County College	26,825,904	
	<hr/>	
		\$198,023,001
Solid Waste Utility		39,090,000
Burlington County Bridge Commission		205,131,000
		<hr/>
		\$442,244,001

**Bond Anticipation Notes Issued:**

General Improvement	42,074,000	
Solid Waste Utility	29,026,000	
County College	22,000,000	
Burlington County Bridge Commission	124,300,000	
	<hr/>	
		217,400,000

**Loans Payable:**

Green Acres	710,614	
Environmental Infrastructure Trust	4,771,030	
Wastewater Trust / NJDEP	0	
	<hr/>	
		5,481,644

**Serial Bonds - Authorized but not Issued:**

General	\$54,768,294	
County College	23,400,216	
Vocational School	0	
Special Services School	258,567	
	<hr/>	
		\$78,427,078
Solid Waste Utility		6,193,733
		<hr/>
		84,620,810

**TOTAL GROSS DEBT:**

749,746,455

**Applicable Deductions from Gross Debt:**

Funds on Hand	\$1,843,165	
Accounts Receivable from Other Public Authorities	10,675,000	
Investments for IPAs	18,545,474	
	<hr/>	
		\$31,063,639
Solid Waste Utility		74,309,733
Burlington County Bridge Commission		329,431,000
		<hr/>
		434,804,372
<b>TOTAL NET DEBT:</b>		<hr/> <hr/>
		\$314,942,084



**SOLID WASTE UTILITY FUND  
DEDUCTIONS APPLICABLE TO BONDS AND NOTES  
FOR SELF-LIQUIDATING PURPOSES**

**As of December 31, 2016**

Solid Waste Utility System	
(a) Gross Solid Waste Utility System Debt	\$74,309,733
(b) Less: Deficit (Capitalized at 5%)	\$0
(c) Deduction	<u>\$74,309,733</u>
(d) Plus: Cash on Hand to Pay Bonds and Notes included in above	\$0
(e) Total Deduction	<u><u>\$74,309,733</u></u>

**DEBT RATIOS AND VALUATIONS**

**As of December 31, 2016**

Average of Equalized Valuation of Real Property With Improvements and Second Class Railroad Property for 2014, 2015 and 2016.	\$46,049,674,354
Statutory Net Debt as a Percentage of the Average of Equalized Valuation of Real Property for 2014, 2015 and 2016.	0.68%
2016 Net Valuation Taxable.	\$43,225,702,732
2016 Total Value of Land and Improvements.	\$43,169,362,738
2016 Equalized Valuation of Real Property With Improvements and Second Class Railroad Property	\$46,309,424,625
Gross Debt <sup>(1)</sup>	
As a Percentage of 2016 Net Valuation Taxable	1.73%
As a Percentage of 2016 Equalized Valuation	1.62%
Net Debt	
As a Percentage of 2016 Net Valuation Taxable	0.73%
As a Percentage of 2016 Equalized Valuation	0.68%
Gross Debt per Capita <sup>(2)</sup>	\$1,670.80
Net Debt per Capita <sup>(1)</sup>	\$701.85

**BORROWING CAPACITY**

**As of December 31, 2016**

Statutory Borrowing Power	
2% of Average (2014-2016) Equalized Valuation of Real Property With Improvements and Second Class Railroad Property (\$46,049,674,354)	\$920,993,487
Net Debt	<u>\$314,942,084</u>
Remaining Borrowing Power Available Under <i>N.J.S.A. 40A:2-6</i>	<u><u>\$606,051,403</u></u>

<sup>(1)</sup> Excluding Overlapping Debt.

<sup>(2)</sup> Based on 2010 Census Population – See "GENERAL INFORMATION REGARDING THE COUNTY - Population" herein.

**SCHEDULE OF COUNTY DEBT SERVICE  
(BONDED DEBT AND LOANS)**

**As of December 31, 2016**

<u>Year</u>	<u>Principal Outstanding by Purpose</u>						<u>Total</u>		<u>Principal and Interest</u>
	<u>General<sup>(1)</sup></u>	<u>College</u>	<u>Vocational School</u>	<u>Special Services School Bonds</u>	<u>Open Space<sup>(2)</sup></u>	<u>Solid Waste Utility</u>	<u>Principal</u>	<u>Interest</u>	
2017	14,273,989	3,483,603	1,574,250	818,937	2,168,427	3,570,000	25,889,206	8,779,260	34,668,465
2018	15,269,237	2,953,511	1,465,950	767,613	2,136,131	3,700,000	26,292,441	7,824,226	34,116,667
2019	15,264,231	3,133,418	1,816,440	916,221	1,885,297	3,875,000	26,890,608	6,871,675	33,762,282
2020	11,737,740	3,354,144	1,051,031	920,396	1,834,157	4,050,000	22,947,468	5,864,595	28,812,063
2021	11,819,088	1,790,687	1,045,888	922,647	1,790,387	4,240,000	21,608,698	5,074,516	26,683,214
2022	11,894,254	1,818,866	1,048,045	927,145	1,840,496	4,380,000	21,908,807	4,291,169	26,199,976
2023	6,453,502	1,867,045	89,818	567,944	1,895,606	4,445,000	15,318,917	3,470,699	18,789,615
2024	6,571,995	1,916,860	90,744	573,710	1,950,719	4,520,000	15,624,030	2,896,977	18,521,007
2025	6,693,113	1,967,493	91,748	579,957	2,017,902	2,005,000	13,355,213	2,300,281	15,655,493
2026	3,969,854	1,983,944	42,828	266,684	2,085,000	2,095,000	10,443,311	1,811,024	12,254,334
2027	4,079,220	1,256,213	43,985	273,892	2,160,000	2,210,000	10,023,311	1,460,561	11,483,872
2028	4,190,835	1,300,118	45,297	282,061	2,250,000	-	8,068,311	1,098,731	9,167,042
2029	2,123,311	-	-	-	2,345,000	-	4,468,311	892,638	5,360,948
2030	2,188,311	-	-	-	2,445,000	-	4,633,311	727,503	5,360,814
2031	2,248,311	-	-	-	2,555,000	-	4,803,311	553,525	5,356,836
2032	2,306,001	-	-	-	2,670,000	-	4,976,001	365,088	5,341,089
2033	2,269,599	-	-	-	2,790,000	-	5,059,599	169,050	5,228,649
2034	94,599	-	-	-	-	-	94,599	3,600	98,199
2035	94,599	-	-	-	-	-	94,599	2,400	96,999
2036	94,599	-	-	-	-	-	94,599	1,200	95,799
	<u>\$123,636,389</u>	<u>\$26,825,904</u>	<u>\$8,406,023</u>	<u>\$7,817,208</u>	<u>\$36,819,122</u>	<u>\$39,090,000</u>	<u>\$242,594,645</u>	<u>\$54,458,717</u>	<u>\$297,053,362</u>

(1) Includes New Jersey Environmental Infrastructure Trust, Series 2014A and Series 2016A and does not include General Obligation Bonds, Series 2013C (Open Space)

(2) Includes New Jersey Environmental Infrastructure Trust, Series 2004A, Green Acres Loans and General Obligation Bonds, Series 2013C (Open Space)

# STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES<sup>(1)</sup>

## As of December 31, 2014, Except Where Otherwise Noted

	Gross Debt			Statutory Deductions <sup>(3)</sup>			Net Debt	Equalized Valuation	Percent of Net Debt <sup>(4)</sup>
	School	Self-Liquidating	Other	School	Self-Liquidating	Other			
Bass River Township	\$502,980	-	\$494,828	\$502,980	-	-	\$494,828	\$177,804,330	0.28%
Beverly City <sup>(2)</sup>	-	-	1,635,705	-	-	248,900	1,386,805	124,832,054	1.11%
Bordentown City	8,613,871	\$7,450,552	2,654,675	8,613,871	\$7,450,552	6,854	2,647,821	355,664,420	0.74%
Bordentown Township	-	-	24,684,705	-	-	2,847,181	21,837,524	1,299,839,510	1.68%
Burlington City	1,860,000	10,237,994	9,920,447	1,860,000	10,237,994	-	9,920,447	652,571,937	1.52%
Burlington Township	26,920,000	14,596,291	15,291,815	26,920,000	14,596,291	9,344	15,282,471	2,261,252,167	0.68%
Chesterfield Township	40,501,311	2,574,501	3,399,721	22,742,056	2,574,501	626,275	20,532,701	715,029,814	2.87%
Cinnaminson Township	42,913,000	-	16,026,046	42,913,000	-	37,290	15,988,757	1,734,520,360	0.92%
Delanco Township	5,710,000	-	2,961,128	5,710,000	-	-	2,961,128	420,062,756	0.70%
Delran Township	27,858,000	5,024,135	16,398,746	27,858,000	5,024,135	438,236	15,960,510	1,558,743,820	1.02%
Eastampton Township	10,906,941	-	7,993,674	10,906,941	-	-	7,993,674	470,541,180	1.70%
Edgewater Park Township	472,000	-	6,101,895	472,000	-	228,103	5,873,792	603,661,915	0.97%
Evesham Township	44,008,918	8,693,676	44,064,163	44,008,918	8,693,676	-	44,064,163	5,106,921,762	0.86%
Fieldsboro Borough	1,224,189	136,000	383,555	1,224,189	-	21,656	497,899	50,546,454	0.99%
Florence Township	25,740,000	8,279,103	12,867,617	25,740,000	8,279,103	1,230,000	11,637,617	1,159,235,385	1.00%
Hainesport Township	10,083,383	-	7,342,951	10,083,383	-	1,737,323	5,605,628	778,947,557	0.72%
Lumberton Township	16,502,943	-	5,635,783	16,502,943	-	-	5,635,783	1,378,334,813	0.41%
Mansfield Township	15,450,729	270,000	21,068,250	15,450,729	270,000	-	21,068,250	1,151,444,437	1.83%
Maple Shade Township	18,985,000	30,585,172	24,499,890	18,985,000	30,585,172	108,000	24,391,890	1,485,484,129	1.64%
Medford Township	35,802,007	29,706,528	28,018,043	35,802,007	29,706,528	-	28,018,043	3,136,748,882	0.89%
Medford Lakes Borough	4,859,136	1,024,895	7,695,999	4,859,136	1,024,895	5,709,167	1,986,832	460,717,536	0.43%
Moorestown Township	69,465,000	9,479,527	38,133,407	69,465,000	9,479,527	202,100	37,931,307	4,329,233,693	0.88%
Mount Holly Township	2,187,068	-	17,385,605	2,187,068	-	-	17,385,605	592,481,419	2.93%
Mount Laurel Township	45,711,932	-	62,190,745	45,711,932	-	3,959,801	58,230,944	6,357,867,745	0.92%
New Hanover Township	-	-	92,182	-	-	-	92,182	74,051,873	0.12%
North Hanover Township <sup>(2)</sup>	3,446,073	-	1,876,161	3,446,073	-	-	1,876,161	443,896,501	0.42%
Palmyra Borough	11,940,000	6,002,421	10,913,587	11,940,000	6,002,421	507,203	10,406,384	534,997,685	1.95%
Pemberton Borough	-	1,016,940	470,517	-	1,016,940	-	470,517	113,720,864	0.41%
Pemberton Township	-	4,599,783	27,363,979	-	4,599,783	175,760	27,188,218	1,498,372,789	1.81%
Riverside Township	5,645,000	-	5,927,884	5,645,000	-	-	5,927,884	437,283,184	1.36%
Riverton Borough	260,000	-	1,737,480	260,000	-	-	1,737,480	256,367,486	0.68%
Shamong Township	7,212,221	-	438,862	7,212,221	-	-	438,862	702,902,016	0.06%
Southampton Township	11,311,577	865,988	10,827,296	11,311,577	658,498	-	11,034,785	1,089,160,044	1.01%
Springfield Township	2,730,044	-	8,478,000	2,730,044	-	-	8,478,000	401,138,224	2.11%
Tabernacle Township	9,118,461	-	8,077,185	9,118,461	-	107	8,077,078	708,836,349	1.14%
Washington Township	-	-	-	-	-	-	-	99,129,049	0.00%
Westhampton Township	10,520,666	-	6,234,206	10,520,666	-	2,604,311	3,629,895	1,148,805,603	0.32%
Willingboro Township	24,885,000	-	41,179,592	24,885,000	-	648,457	40,531,135	1,806,657,750	2.24%
Woodland Township	593,819	-	250,000	593,819	-	-	250,000	141,816,147	0.18%
Wrightstown Borough	-	-	1,109,285	-	-	-	1,109,285	38,014,700	2.92%
	<u>543,941,268</u>	<u>140,543,506</u>	<u>501,825,608</u>	<u>526,182,014</u>	<u>140,200,017</u>	<u>21,346,069</u>	<u>498,582,283</u>	<u>45,857,638,337</u>	<u>1.09%</u>

(1) Source: New Jersey Department of Community Affairs website, except where otherwise noted

(2) Source: 2013 Audited Financial Statement

(3) Statutory Deductions are used to determine the municipal borrowing capacity under state law and are not intended to indicate that the debt is payable from a source other than the local property tax.

(4) The debt limitation of municipalities under N.J.S. 40A:2.6 is 3 1/2% of its average equalized valuation.

## **APPENDIX C**

### **GENERAL INFORMATION CONCERNING THE OBLIGATED BORROWERS**

**TOWNSHIP OF EVESHAM**

**TAX COLLECTION HISTORY**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collections</u>
2015	\$143,511,093	\$141,773,844	98.79%
2014	138,961,196	137,362,862	98.85
2013	137,305,134	135,341,866	98.57
2012	137,580,809	135,376,387	98.40
2011	138,490,555	136,783,151	98.77

**COMPONENTS OF TAX RATE**

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

**ASSESSED VALUATIONS**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>
2016	\$5,201,485,531	\$5,227,623,649	99.50%
2015	5,205,466,175	5,201,824,898	100.07
2014	5,180,329,975	5,092,734,934	101.72
2013	5,204,465,075	5,050,466,458	103.50
2012	5,228,841,975	5,177,583,894	100.99
2011	5,310,877,075	5,470,619,154	97.08

**TOWNSHIP OF EVESHAM (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$2.740	\$44,855,082	0.88%
2014	2.662	44,064,162	0.86
2013	2.625	55,109,334	1.05
2012	2.615	47,878,621	0.88
2011	2.593	40,213,558	0.71

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$5,243,965,949
2015	5,218,087,643
2014	5,108,864,437
2013	5,066,720,535
2012	5,193,895,436
2011	5,489,696,136

**TOWNSHIP OF EVESHAM (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$35,815,100	\$40,471,100	\$39,242,200	\$35,226,500	\$32,883,500	\$34,118,500
Residential	4,126,069,700	4,121,069,700	4,096,710,800	4,107,877,400	4,114,634,100	4,180,753,900
Farmland	11,545,006	11,555,000	13,110,700	13,139,800	13,377,900	13,813,500
Commercial	761,795,375	766,594,175	764,810,775	773,810,775	790,110,275	799,749,775
Industrial	29,484,700	29,484,700	30,056,500	31,554,000	31,554,000	33,167,800
Apartments	<u>255,391,600</u>	<u>285,261,300</u>	<u>93,335,700</u>	<u>106,365,100</u>	<u>106,365,100</u>	<u>249,273,600</u>
Total	\$5,201,485,531	\$5,205,470,175	\$5,180,329,975	\$5,204,485,075	\$5,228,841,975	\$5,310,877,075

**TEN LARGEST TAXPAYERS - 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	Davis & Associates LLC	\$55,000,000	1.06%
2.	Hunter Chase Assoc. LLC	33,000,000	0.63
3.	East Coast Woodview at Marlton	32,000,000	0.62
4.	Davis & Associates LLC	24,702,500	0.47
5.	Davis Enterprises	22,360,000	0.43
6.	Marlton VF LLC	21,574,400	0.41
7.	Marlton Plaza Associates	21,000,000	0.40
8.	WRV Apartments Association LLC	20,500,000	0.39
9.	Paramount Square at Marlton LLC	19,000,000	0.37
10.	Marlton Plaza Associates	<u>18,183,100</u>	0.35
		<u>\$392,631,282</u>	

**TOWNSHIP OF EVESHAM (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

Local School District Debt	\$ 18,810,000
Regional School District Debt	\$ 19,188,893
Self – Liquidating	
Golf Course Utility	7,916,855
Municipal	
Bonds	16,080,000
Bonds Guaranteed by Municipality	13,187,534
BANS	15,084,521
Authorized, Unissued	504,027
Total Gross Debt:	<u>\$115,283,955</u>

(Less)

Local School District Debt	\$ 18,810,000
Regional School District Debt	\$ 19,188,893
Self – Liquidating Debt	7,916,855
Funds Temporarily Held to Pay Bonds	<u>-0-</u>

**NET DEBT:** **\$44,855,082**

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$985	0.86%	0.88%

- 
- (1) 2010 U.S. Census of the Population is: 45,538  
(2) Municipal Assessed value is: \$5,201,824,898  
(3) Municipal 3 yr. Average equalized value is: \$5,115,002,096



**TOWNSHIP OF RIVERSIDE**

**TAX COLLECTION HISTORY**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Cash Collections</u></b>	<b><u>% of Collections</u></b>
2015	\$15,042,221	\$14,483,517	96.29%
2014	14,550,840	13,843,998	95.14
2013	14,250,161	13,793,192	96.79
2012	14,075,719	13,633,542	96.86
2011	13,611,587	13,132,866	96.48

**COMPONENTS OF TAX RATE**

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School District</u></b>	<b><u>County</u></b>	<b><u>Fire District</u></b>	<b><u>Total Tax Rate</u></b>
2015	\$1.022	\$1.898	\$0.398	\$0.105	\$3.423
2014	0.981	1.815	0.372	0.103	3.271
2013	0.954	1.733	0.398	0.102	3.187
2012	0.920	1.687	0.429	0.102	3.138
2011	0.861	1.638	0.438	0.101	3.038

**ASSESSED VALUATIONS**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>
2016	\$438,314,350	\$429,383,180	102.08%
2015	439,090,150	419,981,014	104.55
2014	443,193,350	422,289,995	104.95
2013	444,703,550	427,846,402	103.94
2012	446,107,250	461,713,155	96.62
2011	445,995,650	497,763,002	89.60

**TOWNSHIP OF RIVERSIDE (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$3.423	\$6,203,260	1.47%
2014	3.271	5,927,844	1.36
2013	3.187	5,740,360	1.24
2012	3.138	5,935,360	1.21
2011	3.038	5,664,667	1.10

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$429,383,280
2015	419,981,114
2014	423,744,907
2013	429,445,961
2012	463,628,601
2011	499,608,305

**TOWNSHIP OF RIVERSIDE (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$8,533,400	\$8,578,400	\$8,598,400	\$8,797,800	\$5,768,900	\$5,914,200
Residential	372,472,450	373,019,250	373,736,450	375,200,350	375,479,150	375,287,250
Commercial	34,311,000	34,455,000	35,420,000	35,266,900	39,420,700	39,385,700
Industrial	9,736,100	9,736,100	12,012,100	12,012,100	12,012,100	12,012,100
Apartments	<u>13,261,400</u>	<u>13,301,400</u>	<u>13,426,400</u>	<u>13,426,400</u>	<u>13,426,400</u>	<u>13,396,400</u>
Total	\$438,314,350	\$439,090,150	\$443,193,350	\$444,703,550	\$446,107,250	\$445,955,650

**TEN LARGEST TAXPAYERS - 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	River Terrace Associates	\$3,500,000	0.80%
2.	Teicher Org. at Riverside, LLC	3,155,900	0.72
3.	Watchcase Office, Complex	1,545,000	0.35
4.	Riverside Norse LLC	1,500,000	0.34
5.	Monroe Premier Properties	1,420,000	0.32
6.	Keymar Inc	1,200,000	0.27
7.	PSEG	1,131,200	0.26
8.	Verizon	950,000	0.22
9.	Remy Investments	300,000	0.07
10.	Riverside Garden AP	<u>200,000</u>	0.05
		<u>\$14,902,100</u>	

**TOWNSHIP OF RIVERSIDE (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

School District Debt	\$ 5,100,000
Self – Liquidating	
Water/Sewer Utility	
Municipal	
Bonds	1,751,000
Bonds Guaranteed by Municipality	
BANS	2,549,925
Authorized, Unissued	<u>1,913,125</u>
Total Gross Debt:	\$ 11,314,050

(Less)	
School District Debt	5,100,000
Self – Liquidating Debt	
Funds Temporarily Held to Pay Bonds	<u>10,789</u>

**NET DEBT:** **\$ 6,203,260**

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$768	1.48%	1.47%

- 
- (1) 2010 U.S. Census of the Population is: 8,079  
(2) Municipal Assessed value is: \$419,981,014  
(3) Municipal 3 yr. Average equalized value is: \$423,372,470

**TOWNSHIP OF MAPLE SHADE**

**TAX COLLECTION HISTORY**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Cash Collections</u></b>	<b><u>% of Collections</u></b>
2015	\$42,160,432	\$41,321,139	98.01%
2014	40,937,995	39,974,050	97.65
2013	39,666,928	38,554,879	97.20
2012	39,728,021	38,497,388	96.90
2011	39,028,828	38,064,095	97.53

**COMPONENTS OF TAX RATE**

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School District</u></b>	<b><u>County</u></b>	<b><u>Total Tax Rate</u></b>
2015	\$0.861	\$1.932	\$0.416	\$3.250
2014	0.840	1.870	0.441	3.151
2013	0.691	1.532	0.360	2.583
2012	0.659	1.505	0.388	2.552
2011	0.618	1.465	0.398	2.481

**ASSESSED VALUATIONS**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>
2016	\$1,282,778,800	\$1,320,954,382	97.11%
2015	1,290,629,800	1,416,095,896	91.14
2014	1,292,652,500	1,425,981,798	90.65
2013	1,526,610,720	1,530,130,019	99.77
2012	1,551,802,250	1,500,340,569	103.43
2011	1,569,593,000	1,614,309,370	97.23

**TOWNSHIP OF MAPLE SHADE (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$3.250	\$24,482,692	1.68%
2014	3.151	24,085,099	1.64
2013	2.583	23,288,060	1.50
2012	2.552	22,330,300	1.40
2011	2.481	27,879,408	1.68

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$1,324,675,614
2015	1,419,840,128
2014	1,429,985,698
2013	1,534,288,138
2012	1,503,237,325
2011	1,617,268,897

**TOWNSHIP OF MAPLE SHADE (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$13,444,200	\$12,450,700	\$12,028,300	\$10,623,150	\$11,751,500	\$12,070,000
Residential	743,120,700	740,620,500	739,876,800	951,085,470	958,463,650	959,426,100
Commercial	266,723,900	276,170,400	279,490,800	308,792,100	318,482,100	323,266,900
Industrial	18,426,200	18,426,200	18,294,600	19,710,000	19,755,000	23,405,000
Apartments	<u>241,063,800</u>	<u>242,962,000</u>	<u>242,962,000</u>	<u>236,400,000</u>	<u>243,350,000</u>	<u>251,425,000</u>
Total	\$1,282,778,800	\$1,290,629,800	\$1,292,652,500	\$1,526,610,720	\$1,551,802,250	\$1,569,593,000

**TEN LARGEST TAXPAYERS - 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	Deerfield Assoc.	\$88,361,200	6.89%
2.	Maplewood III, LLC	56,232,300	4.38
3.	Robert Mills Apt.	29,141,700	2.27
4.	Village of Stoney Run, NJ LLC	24,500,000	1.91
5.	Holman Enterprises & Holman Auto	21,929,400	1.71
6.	GBR MS LLC/Blue Saber Prop.	16,250,000	1.27
7.	Pickwick Apartments, LLC	15,430,500	1.20
8.	Davis Enterprises	14,944,200	1.16
9.	Sin Ventures Maple Shade LLC	9,713,400	0.76
10.	Kings Highway Investors	<u>9,200,000</u>	0.72
		<u>\$285,702,000</u>	

**TOWNSHIP OF MAPLE SHADE (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

Local School District Debt	\$ 17,495,000
Self – Liquidating	
Water/Sewer Utility	30,960,429
Municipal	
Bonds	11,393,000
Loans	460,568
BANS	10,397,240
Authorized, Unissued	<u>2,389,446</u>
Total Gross Debt:	\$ 73,095,683
(Less)	
School District Debt	17,495,000
Self – Liquidating Debt	30,960,429
Funds Temporarily Held to Pay Bonds	<u>157,562</u>
<b><u>NET DEBT:</u></b>	<b>\$24,482,692</b>

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$1,280	1.75%	1.68%

- 
- (1) 2010 U.S. Census of the Population is: 19,131  
(2) Municipal Assessed value is: \$1,416,095,896  
(3) Municipal 3 yr. Average equalized value is: \$1,457,402,571



**TOWNSHIP OF DELRAN**

**TAX COLLECTION HISTORY**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Cash Collections</u></b>	<b><u>% of Collections</u></b>
2015	\$50,868,961	\$50,166,879	98.62%
2014	48,425,443	47,906,370	98.93
2013	47,740,390	47,060,436	98.58
2012	46,573,019	45,953,514	98.67
2011	46,713,934	46,156,401	98.81

**COMPONENTS OF TAX RATE**

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School District</u></b>	<b><u>County</u></b>	<b><u>Fire District</u></b>	<b><u>Total Tax Rate</u></b>
2015	\$0.788	\$2.209	\$0.455	\$0.155	\$3.607
2014	0.779	2.113	0.425	0.133	3.450
2013	0.779	2.042	0.431	0.134	3.386
2012	0.767	1.954	0.452	0.127	3.300
2011	0.703	1.730	0.433	0.114	2.980

**ASSESSED VALUATIONS**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>
2016	\$1,401,551,292	\$1,470,364,343	99.32%
2015	1,399,747,692	1,493,223,482	93.74
2014	1,401,942,592	1,534,861,607	91.34
2013	1,406,640,292	1,554,126,938	90.51
2012	1,407,408,292	1,587,242,914	88.67
2011	1,563,077,300	1,663,025,109	93.99

**TOWNSHIP OF DELRAN (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$3.607	\$16,414,680	1.08%
2014	3.450	15,960,509	1.02
2013	3.386	14,285,223	0.89
2012	3.300	14,542,992	0.87
2011	2.980	13,911,506	0.79

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$1,470,364,437
2015	1,493,223,582
2014	1,536,289,648
2013	1,555,920,426
2012	1,589,409,992
2011	1,664,963,860

**TOWNSHIP OF DELRAN (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$13,182,000	\$8,788,000	\$8,788,000	\$8,661,300	\$8,652,500	\$11,153,500
Residential	1,077,929,700	1,077,316,900	1,077,322,500	1,078,760,400	1,077,936,200	1,207,677,800
Farm	1,421,600	2,266,900	2,266,900	2,256,100	2,256,100	2,725,300
Commercial	168,505,292	169,007,092	169,197,092	170,339,392	170,578,392	182,561,200
Industrial	84,813,300	86,908,700	88,908,700	91,643,700	93,005,700	98,921,200
Apartments	<u>55,699,400</u>	<u>55,459,400</u>	<u>55,459,400</u>	<u>54,979,400</u>	<u>54,979,400</u>	<u>60,038,300</u>
Total	\$1,401,551,292	1,399,747,692	1,401,942,592	1,406,640,292	1,407,408,292	1,563,077,300

**TEN LARGEST TAXPAYERS - 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	Berk & Berk at Hunters Glen	\$40,217,500	2.87%
2.	New Jersey American Water Co.	26,421,800	1.89
3.	Hartford Corners	23,391,000	1.67
4.	Whitesell Enterprises	20,204,900	1.44
5.	Tenby Chase Investors, LLC	16,460,400	1.17
6.	Simon & Shuster	14,358,700	1.02
7.	GPT Cinnaminson Owners	10,500,000	0.75
8.	Target	9,598,900	0.68
9.	Lowes	9,096,200	0.65
10.	KIOP Delran	<u>7,729,400</u>	0.55
		<u>\$392,631,282</u>	

**TOWNSHIP OF DELRAN (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

Local School District Debt	\$ 26,483,000
Self – Liquidating	
Water/Sewer Utility	3,104,734
Municipal	
Bonds	5,455,000
Bonds Guaranteed by Municipality	
BANS	9,349,630
Authorized, Unissued	<u>1,610,050</u>
Total Gross Debt:	\$

(Less)	
School District Debt	26,483,000
Self – Liquidating Debt	3,104,734
Funds Temporarily Held to Pay Bonds	<u>-0-</u>

**NET DEBT:** **\$16,414,680**

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$923	1.10%	1.08%

- 
- (1) 2010 U.S. Census of the Population is: 16,896  
(2) Municipal Assessed value is: \$1,493,233,482  
(3) Municipal 3 yr. Average equalized value is: \$1,527,404,009

**TOWNSHIP OF CINNAMINSON**

**TAX COLLECTION HISTORY**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collections</u>
2015	\$53,144,591	\$52,697,917	99.16%
2014	50,396,052	49,844,070	98.98
2013	49,490,237	48,578,771	98.16
2012	49,198,837	48,399,882	98.38
2011	48,407,144	48,108,179	99.38

**COMPONENTS OF TAX RATE**

<u>Year</u>	<u>Municipal</u>	<u>Local School District</u>	<u>Municipal Open Space</u>	<u>County</u>	<u>Fire District</u>	<u>Total Tax Rate</u>
2016	\$0.627	\$2.133	\$0.017	\$0.454	\$0.181	\$3.412
2015	0.607	2.052	0.017	0.454	0.175	3.305
2014	0.585	1.961	0.017	0.412	0.172	3.147
2013	0.460	1.576	0.017	0.338	0.142	2.533
2012	0.429	1.538	0.017	0.369	0.141	2.494
2011	0.411	1.514	0.017	0.369	0.140	2.451

**ASSESSED VALUATIONS**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>
2016	\$1,603,103,900	\$1,797,604,732	89.18%
2015	1,592,373,600	1,776,211,489	89.65
2014	1,588,602,000	1,734,092,348	91.61
2013	1,931,661,700	1,720,550,192	112.27
2012	1,953,716,900	1,748,918,539	111.71
2011	1,961,031,400	1,900,408,373	103.19

**TOWNSHIP OF CINNAMINSON (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$3.305	\$16,122,088	0.92%
2014	3.147	15,988,757	0.92
2013	2.533	14,949,231	0.87
2012	2.494	14,246,481	0.81
2011	2.451	12,696,786	0.67

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$1,800,051,860
2015	1,778,805,361
2014	1,736,857,589
2013	1,723,847,537
2012	1,752,817,030
2011	1,904,385,575

**TOWNSHIP OF CINNAMINSON (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$14,131,900	\$16,383,100	\$14,956,000	\$25,135,700	\$26,201,200	\$27,842,700
Residential	1,338,267,300	1,324,813,300	1,322,157,500	1,595,334,100	1,615,500,000	1,961,031,400
Farmland	824,900	824,900	1,107,100	1,182,200	1,182,200	1,327,700
Commercial	144,414,500	145,010,300	146,036,500	183,786,300	188,598,200	193,249,100
Industrial	86,175,800	86,052,500	87,468,100	113,721,800	117,756,700	118,277,300
Apartments	<u>19,289,500</u>	<u>19,289,500</u>	<u>16,876,800</u>	<u>12,501,600</u>	<u>4,478,600</u>	<u>167,600</u>
Total	\$1,603,103,900	\$1,592,373,600	\$1,588,602,000	\$1,931,661,700	\$1,953,716,900	\$1,961,031,400

**TEN LARGEST TAXPAYERS – 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	National Keystone Properties	\$23,302,300	1.45%
2.	Camelot at Cinnaminson Harbour	19,157,900	1.20
3.	Whitesell Ent	7,039,000	0.44
4.	Progida	6,246,900	0.39
5.	New Plan Cinnaminson Urban Renewal	6,095,400	0.38
6.	1 Sea Box Drive	5,272,300	0.33
7.	Mainline Shipping Center/Online Property Management	5,053,600	0.32
8.	Cinnaminson Development	4,750,000	0.30
9.	Hoeganaes Spircorp	4,588,000	0.29
10.	Riverton Country Club	<u>4,507,200</u>	0.28
		<u>\$86,012,600</u>	

**TOWNSHIP OF CINNAMINSON (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

Local School District Debt	\$ 42,178,000
Self – Liquidating	
Water/Sewer Utility	
Municipal	
Bonds	13,721,000
Bonds Guaranteed by Municipality	1,146,181
BANS	
Authorized, Unissued	<u>1,719,903</u>
Total Gross Debt:	\$58,765,084
(Less)	
School District Debt	42,178,000
Self – Liquidating Debt	
Funds Temporarily Held to Pay Bonds	<u>-0-</u>

**NET DEBT:** **\$16,587,084**

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$1,065	0.93%	0.95%

- 
- (1) 2010 U.S. Census of the Population is: 15,569  
(2) Municipal Assessed value is: \$1,776,211,489  
(3) Municipal 3 yr. Average equalized value is: \$1,743,618,009



**CITY OF BORDENTOWN**

**TAX COLLECTION HISTORY**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collections</u>
2015	\$11,034,024	\$10,693,230	96.91%
2014	10,693,202	10,267,168	96.02
2013	10,436,703	10,033,758	96.14
2012	10,175,503	9,580,737	94.15
2011	10,076,142	9,597,672	95.25

**COMPONENTS OF TAX RATE**

<u>Year</u>	<u>Municipal</u>	<u>Regional School District</u>	<u>County</u>	<u>County Library</u>	<u>County Open Space</u>	<u>Total Tax Rate</u>
2015	\$0.992	\$1.875	\$0.363	\$0.034	\$0.043	\$3.307
2014	0.973	1.784	0.344	0.032	0.016	3.149
2013	0.954	1.676	0.348	0.032	0.015	3.025
2012	0.811	1.399	0.290	0.029	0.038	2.567
2011	0.794	1.364	0.300	0.029	0.039	2.526

**ASSESSED VALUATIONS**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>
2016	\$331,157,100	\$345,675,470	95.80%
2015	333,210,500	338,973,042	98.30
2014	338,421,200	358,763,066	94.33
2013	343,357,400	349,900,540	98.13
2012	394,520,950	358,329,655	110.10
2011	399,429,200	378,032,557	105.66

**CITY OF BORDENTOWN (cont'd)**

**GENERAL TAX RATE AND TOTAL NET DEBT**

<b><u>Year</u></b>	<b><u>General Tax Rate</u></b>	<b><u>Total Net Debt as of December 31</u></b>	<b><u>Net Debt as a Percentage of Equalized Tax Valuation Basis</u></b>
2015	\$3.307	\$2,275,101	0.65%
2014	3.149	2,647,820	0.74
2013	3.025	2,283,920	0.63
2012	2.567	2,675,171	0.71
2011	2.526	3,084,396	0.80

**AGGREGATE EQUALIZED VALUATION**

<b><u>Year</u></b>	<b><u>Equalized Valuation</u></b>
2016	\$346,158,793
2015	339,419,148
2014	359,213,799
2013	350,412,636
2012	358,885,692
2011	378,536,082

**CITY OF BORDENTOWN (cont'd)**

**ASSESSED VALUATION OF REAL PROPERTY, BY CLASSIFICATION**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Vacant	\$4,990,900	\$4,812,700	\$4,853,700	\$4,806,700	\$5,908,300	\$6,178,400
Residential	242,244,000	243,789,600	244,991,900	245,552,200	292,188,050	293,129,600
Commercial	46,255,100	46,689,200	46,988,000	50,460,900	53,331,700	55,828,300
Industrial	12,650,600	12,902,700	16,502,700	16,552,600	16,517,600	16,517,600
Apartments	<u>25,016,300</u>	<u>25,016,300</u>	<u>25,181,300</u>	<u>25,985,000</u>	<u>26,757,300</u>	<u>27,775,300</u>
Total	\$331,157,100	\$333,210,500	\$338,517,600	\$343,357,400	\$394,520,950	\$399,429,200

**TEN LARGEST TAXPAYERS - 2016**

	<b><u>Owner of Record</u></b>	<b><u>Aggregate Assessed Value</u></b>	<b><u>As a Percentage of Assessed Value of Real Property</u></b>
1.	Park Apartments	\$9,690,000	2.90%
2.	Ocean Spray Cranberries	8,200,000	2.46%
3.	Schino Property Management, LLC	6,100,000	1.83%
4.	Ocean Spray Cranberries	3,000,000	0.90%
5.	Storage Depot of Bordentown, LLC	2,704,000	0.81%
6.	Lucas Bordentown, LLC	2,635,000	0.79%
7.	Maguire, Robert J	2,170,000	0.65%
8.	Thompson Reality Co. of Princeton	1,807,200	0.54%
9.	J&B Bordentown, LLC	1,642,300	0.49%
10.	860 Rt 206 Associates LLC	<u>1,637,000</u>	0.49%
		<u>\$39,585,500</u>	

**CITY OF BORDENTOWN (cont'd)**

**DEBT SUMMARY AS OF DECEMBER 31, 2015**

**GROSS DEBT:**

Regional School District Debt	\$ 8,155,706
Self – Liquidating	
Water/Sewer Utility	10,039,826
Municipal	
Bonds	830,000
Bonds Guaranteed by Municipality	
BANS	400,781
Authorized, Unissued	<u>1,051,175</u>
Total Gross Debt:	\$20,477,489

(Less)

School District Debt	8,155,706
Self – Liquidating Debt	10,039,826
Funds Temporarily Held to Pay Bonds	<u>6,854</u>

**NET DEBT:** **\$2,275,101**

**SUMMARY OF DEBT RATIOS:**

	<b><u>Per Capita (1)</u></b>	<b><u>Ratio to Assessed Value (2)</u></b>	<b><u>Ratio to Equalized Value (3)</u></b>
Net Debt	\$580	0.67%	0.65%

- 
- (1) 2010 U.S. Census of the Population is: 3,924  
(2) Municipal Assessed value is: \$338,973,042  
(3) Municipal 3 yr. Average equalized value is: \$349,212,216

## **APPENDIX D**

### **PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENTS**

## **CONTINUING DISCLOSURE AGREEMENT**

**THIS CONTINUING DISCLOSURE AGREEMENT** dated as of \_\_\_\_\_, 2017 (the "Disclosure Agreement") is executed by and among the County of Burlington, New Jersey (the "County"), the Burlington County Bridge Commission (the "Commission" or the "Issuer") and TD Bank, National Association, Cherry Hill, New Jersey, as Dissemination Agent (the "Dissemination Agent") in connection with the issuance of \$\_\_\_\_\_ principal amount of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A (the "Bonds"), by the Commission.

### **WITNESSETH:**

**WHEREAS**, pursuant to a Bond Purchase Contract dated \_\_\_\_\_, 2017, by and between the Commission and Raymond James and Associates, Inc., as underwriter (the "Underwriter"), the Commission is selling the Bonds to the Underwriter; and

**WHEREAS**, the Bonds are authorized and issued by the Commission pursuant to the Self-Liquidating Bridges Act, constituting Chapter 17 of the Laws of 1934 of the State of New Jersey, as amended and supplemented (the "Act"), and a resolution of the Commission adopted on November 20, 2012 and entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2012" (the "Bond Resolution"); and

**WHEREAS**, the Bonds are issued for the purpose of providing funds to make loans to \_\_\_\_\_ (collectively, the "Borrowers"), the proceeds of which will be used to refinance a portion of prior loans of the Borrowers that were funded with the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2005, the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006, the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2007 and the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2009 and fund certain new money loans to certain Borrowers; and

**WHEREAS**, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

**WHEREAS**, the Bonds will be payable from and are secured by payments made on general obligation bonds of each of the Borrowers; and

**WHEREAS**, the Bonds are further secured by a full and unconditional guaranty from the County to pay, when due, the principal of and interest on the Bonds; and

**WHEREAS**, in order to induce the Underwriter to purchase the Bonds, the County, as guarantor, has agreed to undertake to provide financial information and operating data required by the Rule, and the Commission will undertake to provide the notice of certain material events required by the Rule.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Commission, the County and the Dissemination Agent, each binding itself, its successors and assigns, agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County, the Commission and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds to assist the Underwriter in complying with the Rule. The County and the Commission acknowledge that the County and the Commission are each "Obligated Persons" under the Rule (as defined in the Rule) and that the Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to any such reports, notices or disclosures or the 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 any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

"Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Authority or the Dissemination Agent is legally authorized to close.

"Commission Disclosure Representative" shall mean the Executive Director or Deputy Executive Director of the Commission or their designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

"County Disclosure Representative" shall mean the Treasurer or the Chief Financial Officer of the County or their designee, or such other person as the County shall designate in writing to the Commission from time to time for the purposes of this Disclosure Agreement.

"Dissemination Agent" shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 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 via the internet facilities of the Electronic Municipal Market Access System (EMMA).

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

"Rule" shall mean Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

"Trustee" shall mean the trustee appointed by the Commission under the Bond Resolution.

"Underwriter" shall mean the original underwriter of the Bonds (pursuant to the Bond Purchase Contract dated \_\_\_\_\_, 2017 between the Commission and Raymond James and Associates, Inc., as underwriter) required to comply with the Rule in connection with the offering of the Bonds.

Capital terms used but not defined herein shall have the meaning set forth in the Bond Resolution.

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

(a) (i) The County shall provide or cause to be provided to the Dissemination Agent and the Commission not later than September 1 of each year, commencing September 1, 2017 (for the fiscal year ending December 31, 2016), an Annual Report of the County which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may



cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the County are not available by September 1, the County shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the County, the same shall be submitted to the Dissemination Agent and the Commission no later than thirty (30) days after the receipt of the same by the County.

(ii) If by September 15 (commencing September 15, 2017), the Commission has not received a copy of the Annual Report of the County, the Commission shall contact the County in writing regarding the forwarding of the same.

(iii) Not later than September 30 of each year (commencing September 30, 2017), the Dissemination Agent shall forward to the Repository a copy of the Annual Report of the County received by the Dissemination Agent pursuant to subsection 3(a)(i) hereof.

(iv) If the County does not provide an Annual Report by the applicable date required in subsection 3(a)(i) hereof such that the Dissemination Agent cannot forward the Annual Report to the Repository in accordance with subsection 3(a)(iii) hereof, the Dissemination Agent shall promptly send a notice of such event to the Repository in substantially the form attached hereto as Exhibit A, with copies to the County, the Commission and the Trustee (if the Dissemination Agent is not the Trustee).

(b) Each year the Dissemination Agent shall file a report with the County, the Commission and the Trustee (if the Dissemination Agent is not the Trustee), certifying that the applicable Annual Report has been provided to the Repository pursuant to this Disclosure Agreement, stating the date it was provided.

(c) If the fiscal year of the County changes, the County or the Commission, as applicable, shall give written notice of such change in the manner provided in Section 5 hereof.

**SECTION 4. Content of Annual Reports.** The County's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the County (as of December 31). The audited financial statements will conform to accounting principles and practices prescribed by the Governmental Accounting Standards Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a basis of accounting other than generally accepted accounting principles, as such principles, standards and requirements exist at the time of the filing of the particular annual financial statements; and

(b) Certain general financial, operational and demographic information of the County set forth in the Official Statement, dated \_\_\_\_\_, 2017, prepared in connection with the sale of the Bonds (the "Official Statement") contained in Appendix B to the Official Statement under the headings ["TWENTY LARGEST TAXPAYERS", "2017 COUNTY BUDGET", "TAX COLLECTIONS", "EQUALIZED VALUATIONS ON WHICH COUNTY TAXES ARE

APPORTIONED AND ANNUAL COUNTY TAX RATE", "2012 REAL PROPERTY CLASSIFICATION", "STATEMENT OF EQUALIZED VALUATIONS AND CURRENT TAX COLLECTIONS FOR CONSTITUENT MUNICIPALITIES", "STATEMENT OF INDEBTEDNESS", "DEBT RATIOS AND VALUATIONS", "BORROWING CAPACITY", "SCHEDULE OF COUNTY DEBT SERVICE" and "STATEMENT OF DEBT OF CONSTITUENT MUNICIPALITIES"]].

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an "Obligated Person" (as defined by the Rule), if any, which have been filed with the Repository. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

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

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds, as applicable:

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 rights of Bondholders, if material;
8. Bond calls (excluding mandatory sinking fund redemption), if material, or tender offers;
9. defeasances.
10. release, substitution or sale of property securing repayment of the Bonds;

11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Commission 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 any of the Listed Events specified in clauses (2), (7), (8), (10), (13), or (14) of subsection (a) of this Section 5, the Commission may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Commission's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the 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 Commission, the County and the Trustee (if the Dissemination Agent is not the Trustee).

(d) The obligations of the Commission or the Dissemination Agent under this Disclosure Agreement to provide notice are in addition to, and not in substitution of, any obligations of the Trustee to provide notices of events of default to registered owners under the terms of the Bond Resolution. Nothing in this Disclosure Agreement, however, is intended to modify or limit the rights of the Trustee under the Bond Resolution to provide notices or other information as it deems necessary in the performance of its duties thereunder.

**SECTION 6. Termination of Reporting Obligation.** The Commission's and the County's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Commission and the County, as applicable, is each no longer an "Obligated Person" in accordance with the Rule (as defined in the Rule) which determination shall be made by the Commission. The Commission and the County, as applicable, shall file a notice of the termination of their reporting obligations pursuant

to the provisions hereof with the Commission and the Commission shall provide such notice to the Dissemination Agent, which notice shall be filed with the Repository.

**SECTION 7. Prior Compliance with the Rule.** The Commission and the County represent and warrant that each has not failed to comply with previous undertakings to provide secondary market disclosure pursuant to the Rule.

**SECTION 8. Dissemination Agent; Compensation.** The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be TD Bank, National Association, Cherry Hill, New Jersey. The Commission and the County agree that any corporation or association into which the Dissemination Agent may be merged or to which it may sell or transfer its corporate trust business and assets, shall be and become successor Dissemination Agent hereunder without any further act, deed or conveyance. The Commission shall compensate the Dissemination Agent for the performance of its obligations hereunder in accordance with an agreed upon fee structure. The Dissemination Agent may resign its position hereunder upon sixty (60) days prior written notice to the Trustee, the Commission and the County, which notice shall be provided in accordance with Section 14 hereof.

**SECTION 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the County, the Dissemination Agent and the Commission may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to both the County and the Commission to the effect that such amendment or waiver would not, in and of itself, cause the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the Commission or any "Obligated Person" (such determination being supported by an opinion of counsel expert in Federal securities laws). The Commission shall give notice of such amendment or waiver to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Commission or the County, as applicable, shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Commission or the County as applicable. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the

basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 10. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Commission or the County 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 Commission or the County, as applicable, 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, the Commission or the County, as applicable, shall have no 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 11. Default.** In the event of a failure of the Commission and/or the County, as applicable, to comply with any provision of this Disclosure Agreement, the Trustee or Dissemination Agent may, upon receipt of Notice in the form attached hereto as Exhibit A or upon notification of the same by the Commission (and, at the request of the Holders of at least a majority of aggregate principal amount of Outstanding Bonds, 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 County or the Commission, as the case may be, to comply with its respective obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the County or the Commission, as applicable, to comply with this Disclosure Agreement shall be an action to compel specific performance.

**SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent and the Commission.** The Dissemination Agent and the Commission shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by law, the County agrees to indemnify and hold the Dissemination Agent and the Commission and their respective members, officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct or the Commission's negligence or willful misconduct. The County further releases the Dissemination Agent and the Commission from any liability for the disclosure of any information required by the Rule and this Disclosure Agreement (which release shall not be applicable to those specific duties and liabilities of the Dissemination Agent and the Commission pursuant to the terms of this Disclosure Agreement). The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 13. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the County, the Trustee, the Dissemination Agent, the Underwriter, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

**SECTION 14. Notices.** All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

- (a) To the Commission: Burlington County Bridge Commission  
1300 State Highway, Route 73  
Palmyra, New Jersey 08065  
Attention: Executive Director
- (b) To the Dissemination Agent: TD Bank, National Association  
1006 Astoria Blvd.  
Cherry Hill, New Jersey 08034  
Attention: Institutional Trust Department
- (c) If to the County: County of Burlington  
49 Rancocas Road  
Mount Holly, New Jersey 08060  
Attention: County Treasurer

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

**SECTION 15. Counterparts.** This Disclosure Agreement may be executed in any number of counterparts which shall be executed by an Authorized Commission Representative, an Authorized County Representative, and by an authorized signatory of the Dissemination Agent, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**SECTION 16. Severability.** If any one or more of the covenants or agreements in this Disclosure Agreement to be performed on the part of the Commission, the County or the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Agreement.

**SECTION 17. Governing Law.** This Disclosure Agreement shall be construed in accordance with and governed by the Laws of the United States of America and State of New Jersey.

IN WITNESS WHEREOF, the undersigned have caused this Continuing Disclosure Agreement to be executed by their duly authorized signatures as of the date first above written.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: \_\_\_\_\_  
Authorized Officer

COUNTY OF BURLINGTON, NEW JERSEY

BY: \_\_\_\_\_  
Authorized Officer

TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

BY: \_\_\_\_\_  
Authorized Officer

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**EXHIBIT A**

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

Name of Issuer: Burlington County Bridge Commission

Name of Bond Issue: County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A (CUSIP No. \_\_\_\_\_)

Name of Obligated Person: "Burlington County, New Jersey" or "Burlington County Bridge Commission"

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the above designated Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Agreement dated as of \_\_\_\_\_, 2017 among the Issuer, the County and the Dissemination Agent.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Dissemination Agent  
(on behalf of the County and the Issuer)

cc: the County  
the Commission  
the Trustee



## **CONTINUING DISCLOSURE AGREEMENT**

**THIS CONTINUING DISCLOSURE AGREEMENT** dated as of \_\_\_\_\_, 2017 (the "Disclosure Agreement") is executed by and among the \_\_\_\_\_, in the County of Burlington, New Jersey (the "Municipality"), the Burlington County Bridge Commission (the "Commission" or the "Issuer") and TD Bank, National Association, Cherry Hill, New Jersey, as Dissemination Agent (the "Dissemination Agent") in connection with the issuance of \$\_\_\_\_\_ principal amount of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A (the "Bonds" as more fully described in Exhibit B hereto), by the Commission.

### **WITNESSETH:**

**WHEREAS**, pursuant to a Bond Purchase Contract dated \_\_\_\_\_, 2017, by and between the Commission and Raymond James and Associates, Inc., as underwriter (the "Underwriter"), the Commission is selling the Bonds to the Underwriter; and

**WHEREAS**, the Bonds are authorized and issued by the Commission pursuant to the Self-Liquidating Bridges Act, constituting Chapter 17 of the Laws of 1934 of the State of New Jersey, as amended and supplemented (the "Act"), and a resolution of the Commission adopted on December 8, 2016 and entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2017" (the "Bond Resolution"); and

**WHEREAS**, the Bonds are issued for the purpose of providing funds to make loans to \_\_\_\_\_ (collectively, the "Borrowers"), the proceeds of which will be used to refinance a portion of prior loans of the Borrowers that were funded with the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (2005 Governmental Loan Program), Series 2005, Commission's County-Guaranteed Pooled Loan Revenue Bonds (2006 Governmental Loan Program), Series 2006, Commission's County-Guaranteed Pooled Loan Revenue Bonds (2007 Governmental Loan Program), Series 2007 and County-Guaranteed Pooled Loan Revenue Bonds (2009 Governmental Loan Program), Series 2009 and fund certain new money loans to certain Borrowers; and

**WHEREAS**, Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain material events; and

**WHEREAS**, the Bonds will be payable from and are secured by payments made on general obligation bonds of each of the Borrowers; and

**WHEREAS**, the Bonds are further secured by a full and unconditional guaranty from the County of Burlington (the "County") to pay, when due, the principal of and interest on the Bonds; and

**WHEREAS**, in order to induce the Underwriter to purchase the Bonds, the Municipality, as guarantor, has agreed to undertake to provide financial information and operating data required by the Rule, and the Commission will undertake to provide the notice of certain material events required by the Rule.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Commission, the Municipality and the Dissemination Agent, each binding itself, its successors and assigns, agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Municipality, the Commission and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds to assist the Underwriter in complying with the Rule. The Municipality and the Commission acknowledge that the Municipality and the Commission are each "Obligated Persons" under the Rule (as defined in the Rule) and that the Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to any such reports, notices or disclosures or the 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 any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

"Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Authority or the Dissemination Agent is legally authorized to close.

"Commission Disclosure Representative" shall mean the Executive Director or Deputy Executive Director of the Commission or their designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

"Municipality Disclosure Representative" shall mean the Treasurer or the Chief Financial Officer of the Municipality or their designee, or such other person as the Municipality shall designate in writing to the Commission from time to time for the purposes of this Disclosure Agreement.

"Dissemination Agent" shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 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 via the internet facilities of the Electronic Municipal Market Access System (EMMA).

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

"Rule" shall mean Rule 15c(2)-12 promulgated and adopted by the Securities and Exchange Commission under the federal Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

"Trustee" shall mean the trustee appointed by the Commission under the Bond Resolution.

"Underwriter" shall mean the original underwriter of the Bonds (pursuant to the Bond Purchase Contract dated \_\_\_\_\_, 2017 between the Commission and \_\_\_\_\_, as underwriter) required to comply with the Rule in connection with the offering of the Bonds.

Capital terms used but not defined herein shall have the meaning set forth in the Bond Resolution.

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

(a) (i) The [Municipality] shall provide or cause to be provided to the Dissemination Agent and the Commission not later than September 1 of each year, commencing September 1, 2017 (for the fiscal year ending December 31, 2016), an Annual Report of the Municipality which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Municipality are not available by September 1, the Municipality shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Municipality, the same shall be submitted to the Dissemination Agent and the Commission no later than thirty (30) days after the receipt of the same by the Municipality.

(ii) If by September 15 (commencing September 15, 2017), the Commission has not received a copy of the Annual Report of the Municipality, the Commission shall contact the Municipality in writing regarding the forwarding of the same.

(iii) Not later than September 30 of each year (commencing September 30, 2017), the Dissemination Agent shall forward to the Repository a copy of the Annual Report of the Municipality received by the Dissemination Agent pursuant to subsection 3(a)(i) hereof.

(iv) If the Municipality does not provide an Annual Report by the applicable date required in subsection 3(a)(i) hereof such that the Dissemination Agent cannot forward the Annual Report to the Repository in accordance with subsection 3(a)(iii) hereof, the Dissemination Agent shall promptly send a notice of such event to the Repository in substantially the form attached hereto as Exhibit A, with copies to the Municipality, the Commission and the Trustee (if the Dissemination Agent is not the Trustee).

(b) Each year the Dissemination Agent shall file a report with the Municipality, the Commission and the Trustee (if the Dissemination Agent is not the Trustee), certifying that the applicable Annual Report has been provided to the Repository pursuant to this Disclosure Agreement, stating the date it was provided.

(c) If the fiscal year of the Municipality changes, the Municipality or the Commission, as applicable, shall give written notice of such change in the manner provided in Section 5 hereof.

**SECTION 4. Content of Annual Reports.** The Municipality's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Municipality (as of December 31). The audited financial statements will conform to accounting principles and practices prescribed by the Governmental Accounting Standards Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a basis of

accounting other than generally accepted accounting principles, as such principles, standards and requirements exist at the time of the filing of the particular annual financial statements; and

(b) Certain general financial, operational and demographic information of the Municipality set forth in the Official Statement, dated \_\_\_\_\_, 2017, prepared in connection with the sale of the Bonds (the "Official Statement") contained in Appendix [ ] to the Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Municipality is an "Obligated Person" (as defined by the Rule), if any, which have been filed with the Repository. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Municipality shall clearly identify each such other document so incorporated by reference.

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

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds, as applicable:

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 rights of Bondholders, if material;
8. Bond calls (excluding mandatory sinking fund redemption), if material, or tender offers;
9. defeasances.

10. release, substitution or sale of property securing repayment of the Bonds;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Commission 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 any of the Listed Events specified in clauses (2), (7), (8), (10), (13), or (14) of subsection (a) of this Section 5, the Commission may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Commission's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Commission to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the 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 Commission, the Municipality and the Trustee (if the Dissemination Agent is not the Trustee).

(d) The obligations of the Commission or the Dissemination Agent under this Disclosure Agreement to provide notice are in addition to, and not in substitution of, any obligations of the Trustee to provide notices of events of default to registered owners under the terms of the Bond Resolution. Nothing in this Disclosure Agreement, however, is intended to modify or limit the rights of the Trustee under the Bond Resolution to provide notices or other information as it deems necessary in the performance of its duties thereunder.

**SECTION 6. Termination of Reporting Obligation.** The Commission's and the Municipality's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Commission and the Municipality, as applicable, is each no longer an "Obligated Person" in accordance with the Rule (as defined in the Rule) which determination shall be made by the Commission. The

Commission and the Municipality, as applicable, shall file a notice of the termination of their reporting obligations pursuant to the provisions hereof with the Commission and the Commission shall provide such notice to the Dissemination Agent, which notice shall be filed with the Repository.

**SECTION 7. Prior Compliance with the Rule.** The Commission and the Municipality represent and warrant that each has not failed to comply with previous undertakings to provide secondary market disclosure pursuant to the Rule.

**SECTION 8. Dissemination Agent; Compensation.** The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be TD Bank, National Association, Cherry Hill, New Jersey. The Commission and the Municipality agree that any corporation or association into which the Dissemination Agent may be merged or to which it may sell or transfer its corporate trust business and assets, shall be and become successor Dissemination Agent hereunder without any further act, deed or conveyance. The Commission shall compensate the Dissemination Agent for the performance of its obligations hereunder in accordance with an agreed upon fee structure. The Dissemination Agent may resign its position hereunder upon sixty (60) days prior written notice to the Trustee, the Commission and the Municipality, which notice shall be provided in accordance with Section 14 hereof.

**SECTION 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Municipality, the Dissemination Agent and the Commission may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to both the Municipality and the Commission to the effect that such amendment or waiver would not, in and of itself, cause the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the Commission or any "Obligated Person" (such determination being supported by an opinion of counsel expert in Federal securities laws). The Commission shall give notice of such amendment or waiver to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Commission or the Municipality, as applicable, shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Commission or the Municipality as applicable. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, (i) notice of such

change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 10. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Commission or the Municipality 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 Commission or the Municipality, as applicable, 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, the Commission or the Municipality, as applicable, shall have no 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 11. Default.** In the event of a failure of the Commission and/or the Municipality, as applicable, to comply with any provision of this Disclosure Agreement, the Trustee or Dissemination Agent may, upon receipt of Notice in the form attached hereto as Exhibit A or upon notification of the same by the Commission (and, at the request of the Holders of at least a majority of aggregate principal amount of Outstanding Bonds, 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 Municipality or the Commission, as the case may be, to comply with its respective obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Municipality or the Commission, as applicable, to comply with this Disclosure Agreement shall be an action to compel specific performance.

**SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent and the Commission.** The Dissemination Agent and the Commission shall have only such duties as are specifically set forth in this Disclosure Agreement, and, to the extent permitted by law, the Municipality agrees to indemnify and hold the Dissemination Agent and the Commission and their respective members, officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct or the Commission's negligence or willful misconduct. The Municipality further releases the Dissemination Agent and the Commission from any liability for the disclosure of any information required by the Rule and this Disclosure Agreement (which release shall not be applicable to those specific duties and liabilities of the Dissemination Agent and the Commission pursuant to the terms of this Disclosure Agreement). The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.



**SECTION 13. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Commission, the Municipality, the Trustee, the Dissemination Agent, the Underwriter, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

**SECTION 14. Notices.** All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

- (a) To the Commission: Burlington County Bridge Commission  
1300 State Highway, Route 73  
Palmyra, New Jersey 08065  
Attention: Executive Director
- (b) To the Dissemination Agent: TD Bank, National Association  
1006 Astoria Blvd.  
Cherry Hill, New Jersey 08034  
Attention: Institutional Trust Department
- (c) If to the [Municipality]: Attention: \_\_\_\_\_

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

**SECTION 15. Counterparts.** This Disclosure Agreement may be executed in any number of counterparts which shall be executed by an Authorized Commission Representative, an Authorized Municipality Representative, and by an authorized signatory of the Dissemination Agent, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**SECTION 16. Severability.** If any one or more of the covenants or agreements in this Disclosure Agreement to be performed on the part of the Commission, the Municipality or the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Agreement.

**SECTION 17. Governing Law.** This Disclosure Agreement shall be construed in accordance with and governed by the Laws of the United States of America and State of New Jersey.

IN WITNESS WHEREOF, the undersigned have caused this Continuing Disclosure Agreement to be executed by their duly authorized signatures as of the date first above written.

BURLINGTON COUNTY BRIDGE COMMISSION

BY: \_\_\_\_\_  
Authorized Officer

JERSEY [MUNICIPALITY], COUNTY OF BURLINGTON, NEW

BY: \_\_\_\_\_  
Authorized Officer

TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

BY: \_\_\_\_\_  
Authorized Officer

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**EXHIBIT A**

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

Name of Issuer: Burlington County Bridge Commission

Name of Bond Issue: County-Guaranteed Pooled Loan Revenue Refunding  
Bonds (Governmental Loan Program), Series 2017  
(CUSIP No. \_\_\_\_\_)

Name of Obligated Person: "Burlington County, New Jersey" or "Burlington County  
Bridge Commission"

Date of Issuance: \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the above designated Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Agreement dated as of \_\_\_\_\_, 2017 among the Issuer, the [Municipality] and the Dissemination Agent.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Dissemination Agent  
(on behalf of the Municipality and the

Issuer)

cc: the County  
the Commission  
the Trustee

**EXHIBIT B**  
**CUSIPS TO BE USED WHEN FILING**

DATE	PAR	CUSIP
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## **APPENDIX E**

### **PROPOSED FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2017

Burlington County Bridge Commission  
1300 Route 73 N  
Palmyra, New Jersey 08065

Re: Burlington County Bridge Commission  
\$\_\_\_\_\_ County-Guaranteed Pooled Loan Revenue Refunding Bonds  
(Governmental Loan Program), Series 2017A

Dear Commissioners:

We have acted as Bond Counsel in connection with the issuance by the Burlington County Bridge Commission (the "Commission") of its County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"). The Bonds are issued pursuant to the provisions of the Self Liquidating Bridges Act, constituting Chapter 17 of the Pamphlet Laws of 1934 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act") and a resolution of the Commission adopted on December 13, 2016, entitled "Resolution of the Burlington County Bridge Commission Authorizing the Issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017" (the "Bond Resolution"). In accordance with the terms of the Resolution, the Bonds have been awarded and sold to the purchaser thereof and certain determinations with respect to the Bonds have been made pursuant to a certificate duly executed by an Authorized Commission Officer on March \_\_, 2017 (the "Series Certificate" and together with the Bond Resolution, the "Resolution"), the execution of which was authorized pursuant to the Resolution. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Resolution.

The Bonds are dated the date of delivery and mature on the dates and in the amounts set forth therein and in the Series Certificate. Interest on the Bonds is payable on February 15 and August 15 in each year, (each an "Interest Payment Date") commencing August 15, 2017, until final maturity thereof, at the interest rates set forth in the Series Certificate. The Bonds are subject to redemption prior to maturity as stated therein. Principal of the Bonds is payable by presentation and surrender thereof at the principal corporate trust office of TD Bank, National Association, Cherry Hill, New Jersey (the "Trustee" and "Paying Agent"). Except as set forth below regarding payments made to Cede & Co., interest on the Bonds is payable by check or draft of the Paying Agent mailed to each registered owner of the Bonds at the address of such registered owner shown on the registration books maintained by the Trustee, in its capacity as registrar, as of the first (1<sup>st</sup>) day next preceding each Interest Payment Date.

The Bonds are issued in fully registered form without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York

("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Bonds will be made in book-entry-only form (without certificates) in denominations of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal of and interest on the Bonds will be made by the Trustee or the Paying Agent, as the case may be, directly to Cede & Co., as nominee for DTC, in immediately available funds when due. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants and not the responsibility of the Commission, the Trustee or the Paying Agent.

The Bonds are issued for the purpose of providing funds for making loans to governmental entities within the County of Burlington (the "County") for specified purposes (the "2013 Financing Project"), including (a) refunding on a current basis, all or a portion of the Commission's outstanding \$12,185,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2005 (the "Callable 2005 Bonds") used to make a loan to the Township of Evesham ("Evesham" or the "2005 Borrower"), (b) refunding on a current basis, all or a portion of the Commission's outstanding \$22,565,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006 (the "Callable 2006 Bonds") used to make loans to the City of Bordentown ("Bordentown"), the Township of Medford ("Medford") and the Township of Maple Shade ("Maple Shade" and together with Bordentown and Medford, the "2006 Borrowers"), (c) refunding on an advanced basis, all or a portion of the Commission's outstanding \$4,595,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2007 (the "Callable 2007 Bonds") used to make a loan to the Township of Riverside ("Riverside" or the "2007 Borrower"), and (d) refunding on an advanced basis, all or a portion of the Commission's outstanding \$18,950,000 County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2009 (the "Callable 2009 Bonds") used to make loans to Evesham, the Township of Cinnaminson ("Cinnaminson") and the Township of Delran ("Delran" and together with Evesham and Cinnaminson, the "2009 Borrowers"; and the 2009 Borrowers together with the 2005 Borrower, the 2006 Borrowers and the 2007 Borrower, shall be known as the "Borrowers"), and (ii) pay certain of the costs of issuance of the Series 2017A Bonds and the Borrower Bonds (as hereinafter defined) securing the respective repayment obligations of the Borrowers.

Pursuant to an ordinance finally adopted by the County on November 9, 2016, the County has unconditionally and irrevocably guaranteed the payment when due of the principal of and interest on the Bonds (the "County Guaranty"). Pursuant to the terms of the Resolution, the rights of the Commission to receive payments under the terms of the County Guaranty have been assigned to the Trustee for the benefit of the holders of the Bonds.

In connection with the issuance of the Series 2017A Bonds, the Commission will enter into an Escrow Deposit Agreement, dated the date of delivery of the Series 2017A Bonds (the "Escrow Deposit Agreement"), with TD Bank, National Association, as escrow agent (in such capacity, the "Escrow Agent"), pursuant to which a portion of the proceeds of the Series 2017A Bonds will be deposited in the Escrow Fund established under the Escrow Deposit Agreement and held uninvested as cash or invested in direct and general obligations of, or obligations fully and unconditionally guaranteed by, the United States of America ("Government Obligations"), the maturing principal of which and interest thereon shall be used to pay principal of and interest on the (i) Refunded Series 2005 Bonds through April 28,

2017 (the “Series 2005 Redemption Date”) and to redeem the Refunded Series 2005 Bonds on the Series 2005 Redemption Date, at a redemption price (the “Series 2005 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2005 Bonds, and interest accrued and to accrue thereon to the Series 2005 Redemption Date, (ii) Refunded Series 2006 Bonds through April 28, 2017 (the “Series 2006 Redemption Date”) and to redeem the Refunded Series 2006 Bonds on the Series 2006 Redemption Date, at a redemption price (the “Series 2006 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2006 Bonds, and interest accrued and to accrue thereon to the Series 2006 Redemption Date, (iii) Refunded Series 2007 Bonds through December 15, 2017 (the “Series 2007 Redemption Date”) and to redeem the Refunded Series 2007 Bonds on the Series 2007 Redemption Date, at a redemption price (the “Series 2007 Redemption Price”) equal to 100% of the principal amount thereof, of the Refunded Series 2007 Bonds, and interest accrued and to accrue thereon to the Series 2007 Redemption Date and (iv) Refunded Series 2009 Bonds through August 15, 2019 (the “Series 2009 Redemption Date”, and together with the Series 2005 Redemption Date, the Series 2006 Redemption Date and the Series 2007 Redemption Date, the “Redemption Dates”) and to redeem the Refunded Series 2009 Bonds on the Series 2009 Redemption Date, at a redemption price (the “Series 2009 Redemption Price” and together with the Series 2005 Redemption Price, the Series 2006 Redemption Price and the Series 2007 Redemption Price, the “Redemption Prices” ) equal to 100% of the principal amount thereof, of the Refunded Series 2009 Bonds, and interest accrued and to accrue thereon to the Series 2009 Redemption Date.

Bowman & Company, LLP, certified public accountants, has, based on certain information provided to it, verified (i) the mathematical computation of the adequacy of the maturing principal of and interest on the investments purchased with the proceeds of the Series 2017A Bonds (and other available funds) to pay the principal and redemption price of the Refunded Bonds prior to and on the Redemption Date and the interest on the Refunded Bonds due prior to and on the Redemption Date, and (ii) the calculations of the yield on the Series 2017A Bonds and the yield on the investments held under the Escrow Deposit Agreement and purchased with proceeds of the Series 2017A Bonds. We have relied upon the verification of the sufficiency of the amounts to be held by the Escrow Agent and the yield calculations in concluding that the Bonds are not “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”).

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including among other things: (a) evidence of the formation and organization of the Commission; (b) certified copies of the Resolution and the County Guaranty; (c) the Code and the regulations promulgated thereunder (the “Code”); (d) certified copies of the results and findings of the New Jersey Local Finance Board; and (e) certificates of Commission officials, the respective municipal officials, County officials and the Trustee as to material factual matters, including a certificate of the Commission pursuant to the federal income tax laws and regulations applicable to the Bonds. We have also examined an authenticated Bond, and we have assumed that all other Bonds have been similarly executed by the Commission and authenticated by the Trustee. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.



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

1. The Commission has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with power to adopt the Resolution and to issue the Bonds.
2. The Resolution has been duly and lawfully adopted by the Commission, is in full force and effect, is valid and binding upon the Commission and is enforceable in accordance with its terms, and no other authorization for the Resolution is required.
3. The Bonds have been duly authorized and issued by the Commission in accordance with the Act and the provisions of the Resolution, are valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.
4. The Resolution creates a valid pledge of the Pledged Property, subject only to the application thereof by the Commission for the purposes and on the terms and conditions set forth in the Resolution.
5. The County Guaranty has been duly and lawfully adopted by the County, and is in full force and effect, is valid and binding upon the County and is enforceable in accordance with its terms and no other authorization or approval for the County Guaranty is required. Any payments which are required to be made by the County pursuant to the provisions of the County Guaranty constitute valid and binding obligations of the County and the County has the power and is obligated to levy ad valorem taxes upon all the taxable real property in the County without limitation as to rate or amount in order to raise funds for the purpose of making any payments which are required to be made under the terms of the County Guaranty if other funds are not otherwise available. The Bonds constitute obligations which are entitled to the benefits of the County Guaranty and pursuant to the terms of the County Guaranty, the County must pay amounts which are sufficient to pay the principal of and interest on the Bonds if such principal and/or interest is not paid by the Commission.
6. Assuming continuing compliance by the Commission and the Borrowers with the provisions of the Code pertaining to the issuance of the Bonds, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations under the Code. For certain corporate holders, interest on the Bonds is includable in adjusted current earnings for purposes of calculating the alternative minimum tax imposed on such holders.
7. Interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally.

Other than as set forth in Paragraphs 6 and 7 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

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

Very truly yours,