

NOTICE OF SALE

**\$2,510,000* GENERAL IMPROVEMENT BONDS, SERIES 2017
(NON-CALLABLE)/(NOT BANK QUALIFIED)
OF THE
TOWNSHIP OF CHERRY HILL,
IN THE COUNTY OF CAMDEN, NEW JERSEY**

SUMMARY

ISSUER: Township of Cherry Hill, in the County of Camden, New Jersey

PAR AMOUNT: \$2,510,000*

SECURITY: General Obligations of the Township

TAX EXEMPT: Yes

RATINGS: Aa1

TYPE OF SALE: Electronic proposals via the Parity Electronic Bid System ("PARITY") of i-Deal LLC ("i-Deal") (See Bidding Details Item herein)

BOND SALE AGENT: PARITY

BID/AWARD DATE: March 9, 2017 by electronic proposals until 11:00 a.m., local time, at which time they will be publicly opened, received and announced. Award by 3:00 p.m.

DATED DATE: Date of Delivery

DELIVERY DATE: On or about March 23, 2017

INTEREST PAYMENT DATES: February 15 and August 15, commencing February 15, 2018

FORM: Book-entry-only

FIRST CALL DATE: Non-callable

MINIMUM BID: \$2,510,000* (Par)

MAXIMUM BID: \$2,690,000 (Par plus original issue premium limitation of \$180,000)

BID SECURITY: **Good Faith Check or wire transfer in the amount of \$50,200 received by the Township (prior to bidding, no later than 10:30 a.m. on the day of the sale)**

BASIS OF AWARD: True Interest Cost

LEGAL OPINION: McManimon, Scotland & Baumann, LLC, Roseland, New Jersey

OFFERING STATEMENT: Preliminary Official Statement available at www.govdebt.net

*Preliminary, subject to change.

NOTICE

NOTICE IS HEREBY GIVEN that electronic proposals will be received by the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township") for the purchase of the Township's \$2,510,000* General Improvement Bonds (the "Bonds"). All Bids (as defined below) must be submitted in their entirety via the "PARITY Electronic Bid System" (PARITY) until 11:00 a.m., New Jersey time on March 9, 2017. To bid, Bidders (as defined below) must have submitted a good faith check or wire transfer payable to the Township, in the amount of \$50,200 no later than 10:30 a.m. on the day of sale (see Bidding Details below).

Preliminary and Final Official Statement

The Township's Preliminary Official Statement (the "POS"), dated on or about March 1, 2017, will be available for viewing in electronic format on www.govdebt.net. In addition, broker dealers registered with the National Association of Securities Dealers (the "NASD") and dealer banks with The Depository Trust Company ("DTC") clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to March 9, 2017, elect to receive an electronic copy of the POS by electronic mail by calling the Township's Financial Advisor, Brittany Whelan, Acacia Financial Group, Inc. (the "Financial Advisor"), 601 Route 73 North, Suite 206, Marlton, New Jersey 08053 (telephone no. 856-234-2266). All Bidders must review the POS and certify that they have done so prior to participating in the bidding.

The POS is deemed by the Township to be final as of its date, for purposes of SEC Rule 15c2-12(b)(1) under the Securities and Exchange Act of 1934, except for the omission of information concerning the offering price(s), interest rate(s), selling compensation, aggregate principal amount of the Bonds and any other terms or provisions to be determined from the successful Bid(s) or depending on such matters, and the identity of the underwriter(s). The POS is, however, subject to such further revisions, amendments and completion in a Final Official Statement (the "Final Official Statement") as may be necessary.

The Township, at its expense, will make available to the winning Bidder a reasonable number of Final Official Statements within seven (7) business days following the date of acceptance of the Bid.

Types of Bids Allowed

Subject to the Bid requirements described below, Bids for the Bonds must be submitted on an "All-or-None" ("AON") basis for the entire amount of \$2,510,000. First, a Bidder must submit a conforming Bid for the entire issue, and if such Bid is accepted by the Township, the Bidder will be required to purchase the entire issue in accordance with such Bid.

Insurance

All or any part of the Bonds can be insured at the option of the Bidder. The insurance premium, if any, will be paid by the Bidder.

* Preliminary, subject to change.

Interest Payment Dates; Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest from such date payable semiannually on each February 15 and August 15, commencing on February 15, 2018.

Principal Amortization

The Bonds will mature on February 15 in the years 2018 through 2027, inclusive, as set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>
2018	\$230,000
2019	\$230,000
2020	\$235,000
2021	\$240,000
2022	\$245,000
2023	\$250,000
2024	\$260,000
2025	\$265,000
2026	\$275,000
2027	\$280,000

The principal amounts set forth above may be adjusted by the Township in accordance with N.J.S.A. 40A:2-26(g). Any such adjustment shall not exceed 10% of the principal amount for any maturity, with the aggregate adjustment to maturity not to exceed 10% of the principal for the overall issue.

Term Bond Option

Bidders may elect to structure the Bond issue to include term bonds (the "Term Bond Option"), which term bonds, if selected by the Bidder, will be subject to mandatory redemption prior to maturity, in the years and amounts shown above as serial maturities, upon payment of one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for such mandatory redemption of such amounts. If the Bonds are awarded and the Term Bond Option is not selected, the Bonds will mature serially as shown in the preceding schedule.

Book-Entry-Only

The Bonds will be issued in book-entry form only, initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Individual purchases will be in the principal amount of any multiple of \$5,000. Payments of principal and interest will be made by the Township as paying agent to DTC for subsequent disbursement to DTC participants to then be remitted to the beneficial owners of the Bonds.

Redemption Provisions

The Bonds are not subject to optional redemption prior to their stated maturities.

Terms of PARITY

Each electronic proposal must be submitted via PARITY. No Bidder will see any other Bidder's bid, nor will any Bidder see the status of its bid relative to other bids (e.g., whether its bid is a leading bid). To the extent any instructions or directions set forth on PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential Bidders may contact PARITY at I-Deal at (212) 404-8102. The Township may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. In the event that a bid for the Bonds is submitted via PARITY, the Bidder further agrees that: The Township may regard the electronic transmission of the bid via PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity of the Bonds and any other information included in such transmission) as though the same information were submitted on the official "Proposal for Bonds" provided by the Township and executed by a duly authorized signatory of the Bidder. If a bid submitted electronically via PARITY is accepted by the Township, the terms of the official "Proposal for Bonds" and this Notice of Sale and the information that is electronically transmitted via PARITY shall form a contract, and the successful Bidder shall be bound by the terms of such contract.

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

The Township may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 10:00 a.m., Eastern Time, on the bid date.

Once the bids are communicated electronically via PARITY to the Township, each bid will constitute an official "Proposal for Bonds" and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all "Proposals for Bonds," whether electronically or sealed, the time as maintained on PARITY shall constitute the official time.

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

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

- (1) BIDDERS MUST SUBMIT A GOOD FAITH CHECK OR WIRE TRANSFER (PLEASE CONTACT THE FINANCIAL ADVISOR FOR WIRE INSTRUCTIONS) IN THE AMOUNT OF \$50,200 PAYABLE TO THE TOWNSHIP NO LATER THAN 10:30 A.M. ON THE DAY OF SALE. HOWEVER, BIDDERS ARE ENCOURAGED TO SUBMIT CHECKS AND WIRE TRANSFERS ON THE DAY PRIOR TO THE SALE TO ASSURE RECEIPT OF PAYMENT BY THE TOWNSHIP. CHECKS CAN BE SENT TO THE FOLLOWING ADDRESS:**

**Michelle Samalonis,
Chief Financial Officer
Township of Cherry Hill
820 Mercer Street
Cherry Hill, New Jersey 08002**

BIDDERS SUBMITTING GOOD FAITH CHECKS SHOULD ALSO ENCLOSE A RETURN ENVELOPE FOR USE BY THE TOWNSHIP.

UNSUCCESSFUL BIDDERS SUBMITTING THE GOOD FAITH DEPOSIT BY WIRE TRANSFER SHALL, NO LATER THAN THE CLOSE OF BUSINESS ON THE DATE OF SALE OF THE BONDS, PROVIDE THE TOWNSHIP'S CHIEF FINANCIAL OFFICER IN WRITING WITH WIRING INSTRUCTIONS FOR THE RETURN OF SUCH UNSUCCESSFUL BIDDER'S GOOD FAITH DEPOSIT. IN THE EVENT THAT THE TOWNSHIP FAILS TO RETURN ANY GOOD FAITH DEPOSIT IN A TIMELY FASHION, OR SUCH GOOD FAITH DEPOSIT IS NOT RECEIVED BY SUCH BIDDER FOR ANY REASON, THE TOWNSHIP SHALL NOT BE LIABLE FOR MONETARY DAMAGES, REMEDY BEING HEREBY SPECIFICALLY LIMITED TO SPECIFIC PERFORMANCE.

- (2) All Bids must be submitted via PARITY. **No telephone, telefax, telegraph or personal delivery Bids will be accepted.**
- (3) All Bids for the Bonds must be submitted on an AON basis.
- (4) Bidders may bid to purchase Bonds from the Township with a bid premium in an amount not in excess of \$180,000, representing a bid price of not in excess of \$2,690,000. No Bid will be considered if the Bid is to purchase Bonds at a price less than 100% of the principal amount thereof.
- (5) Bidders must specify a rate of interest for each maturity of the Bonds which rate of interest must be expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). The difference between the highest and lowest interest rates named in the Bid shall not exceed three percent (3%) per annum.
- (6) Bidders are only permitted to submit Bids for the Bonds during the bidding period.

Definitions

- "Bid" any confirmed purchase offer received by PARITY on or before the proposal submission deadline.
- "Bidder" any firm registered and approved for participation in sale.
- "Winning Bid" any purchase offer made by a Bidder and received by PARITY that, at the end of the bidding time period, results in the lowest TIC that is acceptable to the Township.
- "True Interest Cost" true interest cost shall be computed in each instance by determining the interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the Bonds and to the price bid, excluding interest accrued

to the delivery date. The True Interest Cost ("TIC") serves as the basis for awarding bonds to the winning Bidder.

Bid Procedure and Basis of Award

Subject to the right reserved by the Township to reject any or all Bids, the Bonds will be sold to the Bidder whose Bid produces the lowest TIC for the Township and otherwise complies with the Notice of Sale.

Bids must remain valid until at least 3:00 p.m., prevailing time, on the date of the sale, and if accepted by the Township, prior to such time, shall be irrevocable except as otherwise provided in the Notice of Sale. Upon selection of the winning Bidder, the Township will execute an award certificate to award the Bonds and will promptly communicate with the winning Bidder by telephone, e-mail or fax.

Bid Security and Method of Payment for Bonds

A Good Faith Deposit ("Deposit") in the form of a certified, treasurer's or cashier's check or wire transfer, payable to the order of the "Township of Cherry Hill", is required for each bid to be considered. Wire instructions can be obtained by contacting Brittany Whelan of Acacia Financial Group, Inc. (the "Financial Advisor") at (856) 234-2266 or bwhelan@acaciafin.com. If a check is used, it must be a certified, treasurer's or cashier's check and must be provided to the Township prior to the time for submission of Bids. Each Bidder accepts responsibility for delivering such check or wire transfer on time and the Township is not responsible for any check or wire transfer that is not received on time. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the Township. Award of the Bonds to the successful Bidder or rejection of all Bids is expected to be made within two hours after opening of the bids, but such successful Bidder may not withdraw its proposal until after 3:00 p.m. of the day of receipt of such Bids and then only if such award has not been made prior to the withdrawal. The balance of the purchase price shall be paid in Federal Funds by wire transfer to the Township at closing.

Right to Reject Bids; Waive Irregularities

The Township reserves the right to reject any and all Bids and to the extent permitted by law to waive any irregularity or informality in any Bid.

Information Required from the Winning Bidder

By making a bid for the Bonds, the winning Bidder(s) agrees: (a) to provide to the Township, in writing, immediately upon being unofficially awarded the Bonds, a written confirmation of the bid, which shall include the purchase price, reoffering yield(s), and other related information necessary for completion of the final Official Statement or by Bond Counsel; (b) to disseminate to all members of the underwriting syndicate copies of the Official Statement; (c) to promptly file a copy of the final Official Statement with the Municipal Securities Rulemaking Board; and (d) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to alternate purchasers.

Delivery of the Bonds

The Bonds will be delivered on or about March 23, 2017 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS PUBLISHED NOT LATER THAN 2 HOURS PRIOR TO ANY

ANNOUNCED DATE FOR RECEIPT OF BIDS) in New York, New York at DTC against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal funds.

There will also be furnished the usual closing papers, including (1) a certificate signed by the officials who signed the Bonds stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or delivery of the Bonds, or in any manner questioning the proceedings and authorization under which the Bonds are issued or affecting the validity of the Bonds and (2) a certificate signed by the Mayor and Chief Financial Officer relating to the Official Statement.

CUSIP Numbers

CUSIP numbers will be applied for with respect to the Bonds by the winning Bidder, but the Township will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and make payment for the Bonds. The CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the winning Bidder.

Legal Opinion

The approving opinion of Bond Counsel will be furnished without cost to the winning Bidder.

Postponement

The Township reserves the right to postpone the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED OR POSTED BEFORE 10:30 A.M. ON THE DAY OF THE SALE.** If any date fixed for the receipt of Bids and the sale of the Bonds is postponed, an alternative sale date will be announced via PARITY at least forty-eight (48) hours prior to such alternative sale date. On any such alternative sale date, any Bidder may submit a Bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on PARITY at the time the sale date and time are announced.

Additional Information

For further information relating to the Bonds, reference is made to the POS prepared for and authorized by the Township. The Notice of Sale and the POS may be viewed on www.govdebt.net. Printed copies of the POS and the Notice of Sale may be obtained from the Financial Advisor at the address and phone number stated above. Additional information relating to the financing of the Township can be obtained by contacting the undersigned Chief Financial Officer at (856) 432-8738 or the Financial Advisor at (856) 234-2266.

Township of Cherry Hill, New Jersey

By: Michelle Samalonis
Chief Financial Officer

Dated: March 1, 2017

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 1, 2017

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

\$2,510,000*
TOWNSHIP OF CHERRY HILL
County of Camden, New Jersey
GENERAL IMPROVEMENT BONDS, SERIES 2017
(Non-Callable) (Not Bank Qualified)

Dated: Date of Delivery

Due: February 15, as shown below

The \$2,510,000* General Improvement Bonds, Series 2017 (the "Bonds"), of the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township"), will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year. The principal of the Bonds shall be paid on their respective maturity dates in the amounts and in the years set forth on the front cover hereof, upon presentation and surrender of the Bonds at the office of the Township, as bond registrar and paying agent (the "Paying Agent"). Interest on the Bonds is payable semiannually on February 15 and August 15, commencing February 15, 2018, in each year until maturity. The Bonds are not subject to redemption prior to their stated maturity dates.

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended; (ii) a bond ordinance, duly and finally adopted by the Township Council on November 23, 2015 and published in accordance with applicable law; and (iii) a resolution duly adopted by the Township Council on February 13, 2017.

The Bonds are being issued to provide funds which will be used to (i) permanently finance the cost of two synthetic turf multi-use recreational fields at Cherry Hill High School East and Cherry Hill High School West, for which obligations have been authorized, but not previously issued; and (ii) pay certain costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds.

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

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2018	\$230,000	%	%		2023	\$250,000	%	%	
2019	230,000				2024	260,000			
2020	235,000				2025	265,000			
2021	240,000				2026	275,000			
2022	245,000				2027	280,000			

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Robert N. Wright Jr., Esq., Cherry Hill, New Jersey. Acacia Financial Group, Inc., Marlton, New Jersey, has acted as Financial Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York on or about March 23, 2017.

**BIDS WILL BE RECEIVED IN ACCORDANCE WITH THE TERMS OF THE NOTICE OF SALE
UNTIL 11 O'CLOCK A.M. ON THURSDAY, MARCH 9, 2017
ELECTRONICALLY VIA THE PARITY ELECTRONIC BID SUBMISSION SYSTEM
("PARITY") OF i-DEAL LLC ("i-DEAL") AS SET FORTH IN THE NOTICE OF SALE**

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment or other change without notice. The Township has authorized the distribution of this Preliminary Official Statement for informational purposes only. 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 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful under the laws of such jurisdiction.

TOWNSHIP OF CHERRY HILL

Mayor and Township Council

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

Chief Financial Officer

Michelle Samalonis

Township Administrator

Lenore Rosner

Township Clerk

Nancy L. Saffos

Solicitor

Robert N. Wright Jr., Esq.

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

Financial Advisor

Acacia Financial Group, Inc.
Marlton, New Jersey

No dealer, broker, salesperson or other person has been authorized by the Township to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Township. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the 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 expression 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 Township since the date hereof.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed on the cover of this Official Statement are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representations 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 specified maturity is subject to being changed after the issuance of the 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 Bonds.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof, or the date as of which particular information is given, if earlier. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

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

The order and placement of the 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. The offering of the Bonds is made only by means of this entire Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE RESPECTIVE PUBLIC OFFERING PRICES FOR THE BONDS STATED ON THE FRONT COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TOWNSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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REGARDING THE TOWNSHIP OF CHERRY HILL, IN THE COUNTY OF CAMDEN, NEW JERSEY

APPENDIX B: AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP OF CHERRY HILL

APPENDIX C: FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

OFFICIAL STATEMENT

Relating to

\$2,510,000*

GENERAL IMPROVEMENT BONDS, SERIES 2017

of the

TOWNSHIP OF CHERRY HILL

County of Camden, New Jersey

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the Appendices attached hereto, is to provide certain information relating to the \$2,510,000* General Improvement Bonds, Series 2017 (the "Bonds") to be issued by the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township").

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

PURPOSE OF THE BONDS

The Bonds are being issued to provide funds which, together with other available funds of the Township, will be used to: (i) permanently finance the cost of two synthetic turf multi-use recreational fields at Cherry Hill High School East and Cherry Hill High School West, for which obligations have been authorized, but not previously issued; and (ii) pay certain costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds.

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended; (ii) bond ordinance 2015-21, duly and finally adopted by the Township Council on November 23, 2015 and published in accordance with applicable law; and (iii) a resolution duly adopted by the Township Council on February 13, 2017 (the "Resolution").

THE BONDS

General Description

The Bonds will be issued in the aggregate principal amount of \$2,510,000*, will be dated their date of issuance and bear interest from that date at the rates set forth on the cover page hereof. Interest on the Bonds will be payable semiannually on February 15 and August 15 (each an "Interest Payment Date"), commencing February 15, 2018, in each year until maturity. The Bonds will mature on February 15 in the years and in the principal amounts shown on the cover of this Official Statement.

The Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000. The principal of the Bonds will be payable to the registered owners thereof at maturity, upon presentation and surrender of the Bonds at the office of the

* Preliminary, subject to change.

Township as paying agent (the "Paying Agent"). Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the principal office of the Paying Agent, as of the close of business on the first (1st) day (whether or not a day on which the Paying Agent is open for business) containing such Interest Payment Date (the "Record Date").

So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursements of such payments to the DTC Participants ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as herein defined) of the Bonds is the responsibility of the DTC Participants and not the Township. See "Book-Entry-Only System" herein.

Redemption

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

Book-Entry-Only System¹

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

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

¹ Source: The Depository Trust Company.

the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Redemption proceeds, if any, and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township, on payable date in accordance with their

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

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

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

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

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

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

Discontinuance of Book-Entry-Only System

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

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

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following

year's budget. The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation drainage map preparation for flood control purposes and contractually required severance liabilities, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

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

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

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

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when

adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Sewer Utility Budget

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

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended June 30, 2015 for the Township is on file with the Clerk and is available for review during business hours.

TAXATION

Procedure for Assessment and Collection of Taxes

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

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid

by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the fiscal years ended June 30, 2016, 2015, 2014, 2013, and 2012. Copies of the complete Reports of Audit may be obtained from the Township's website at <http://www.cherryhill-nj.com>.

LITIGATION

To the knowledge of the Township Solicitor, Robert N. Wright Jr., Esq., there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that would have a material adverse impact on the financial condition of the Township if adversely decided. Upon issuance of the Bonds, a certification of the Solicitor to this affect will be furnished to the purchaser of the Bonds. In so doing, legal opinions of former Township Solicitors may be relied upon.

TAX MATTERS

General

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

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

Certain Federal Tax Consequences Relating to the Bonds

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

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

Bank Qualification

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

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

IRS Circular 230 Disclosure

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

New Jersey Gross Income Tax

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

Proposals for Legislative Change

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Future Events

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

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

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

MUNICIPAL BANKRUPTCY

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

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

SECONDARY MARKET DISCLOSURE

The Township, pursuant to the Resolution, has covenanted for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Specifically, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township will:

(a) on or prior to 270 days from the end of each fiscal year, beginning with the fiscal year ending June 30 of the year in which the Bonds are issued, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Data Port (the "MSRB"), annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) Township indebtedness including a schedule of outstanding debt issued by the Township, (ii) the Township's property valuation information, and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB;

(b) in a timely manner not in excess of ten business days after the occurrence of the event, to the MSRB, notice of any of the following events with respect to the Bonds (herein "Material Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of the 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 holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(c) in a timely manner to the MSRB, notice of failure of the Township to provide required annual financial information on or before the date specified in the Resolution.

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Township from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

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

APPROVAL OF LEGAL PROCEEDINGS

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

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

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

FINANCIAL ADVISOR

Acacia Financial Group, Inc., Marlton, New Jersey has served as Financial Advisor to the Township with respect to the issuance of the Bonds (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 the Official Statement and the appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

RATING

Moody's Investors Service (the "Rating Agency"), has assigned a rating of "Aa1" to the Bonds, based upon the creditworthiness of the Township.

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

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

UNDERWRITING

The Bonds are being purchased from the Township by _____ ("Underwriter"), pursuant to the terms of a Notice of Sale dated on or about March 1, 2017, at a purchase price of \$_____ ("Purchase Price"). The Purchase Price of the Bonds reflects the par amount of the Bonds, plus an original issue premium in the amount of \$_____ and less an Underwriter's discount in the amount of \$_____. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds are being offered for sale at the yields or prices set forth on the front cover of this Official Statement.

ADDITIONAL INFORMATION

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

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

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

This Official Statement has been duly executed and delivered by the Township and may be distributed in connection with the sale of the Bonds.

TOWNSHIP OF CHERRY HILL, NEW JERSEY

By: _____
MICHELLE SAMALONIS, Chief Financial Officer

Dated: March __, 2017

APPENDIX A

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

GENERAL INFORMATION ON THE TOWNSHIP

History

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

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

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

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

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

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

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

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

Local Government

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

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

Financial Management

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

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

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

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

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

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

User fees for Township services have increased and new user fees have been instituted as well as new recurring revenues, such as abandoned property fees and fines and exterior CO inspection fee. The Township has an aggressive tax collection program and, under the provisions of Chapter 99 of the Laws of New Jersey of 1997, the Township holds annual tax sales. The tax collection rate for Fiscal Year 2016 was ninety-nine and eighty seven hundredths percent (99.87%).

Library

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

Fire Protection & Emergency Medical Services

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

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

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

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

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

The Fire Department will achieve the Insurance Services Organizations Classification of a "Class 1" Fire Department effective December 1, 2016 out of a scale of 1 to 10 and is one of only 3 fire departments in the State of New Jersey to achieve this rating. The men and women of the Cherry Hill Fire Department are proud of their hard work in lowering fire insurance premiums.

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

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

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

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

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

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

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

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

Police

The Police Department (“Department”) is located in the municipal building at 820 Mercer Street and consists of three (3) divisions. The Operations Division is the largest division within the Department and is responsible for the performance of all primary police tasks. The Special Operations Unit is a part of the Operations Division and consists of a Tactical Response Team and a Critical Incident Negotiating Team and may be activated for any extraordinary police operation. The Investigative Division conducts follow-up investigations, proactively conducts special investigations, and provides technical services such as crime scene processing, fingerprint identification, and evidence classification. The Administrative Division supports Department operations while concurrently providing the citizenry with public records and assistance.

The Department has a complement of 137 sworn members, seven (7) special law enforcement officers (SLEO), ten (10) dispatchers, twenty one (21) civilian employees and also employs fifty (50) civilian school crossing guards.

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

The Cherry Hill Police Operations Center is a state-of-the-art facility with an advanced police communications system including computers, specialized radio technology, digital mug shots, and digital fingerprint scanning equipment connected to the FBI, and software applications that provide computerized detective case management. The system is funded by grants and features the latest technologies. The CAD/RMS system was recently upgraded and was also primarily funded by state grants. The Department has four (4) automated license plate readers. The license plate readers aid the department with the enforcement of motor vehicle laws, security for the general public, and can aid in Homeland Security. The entire patrol fleet is equipped with in-car cameras as well “E ticketing” or electronic motor vehicle summons. E-ticketing has drastically reduced the time officers spend on motor vehicle stops. Additionally, seventy eight (78) police officers have been certified and trained in the use Conducted Energy Devices (CED) or more commonly referred to as a “Taser”. This will significantly reduce the risk of injuries to civilians and police officers alike. Three (3) police vehicles were outfitted with Thermal Imaging Camera’s. These will help locate missing or wanted persons by giving off a heat signature in the dark. The Department pilot tested the effectiveness of body worn cameras and recently purchased units for every member of the department as a supplement to its robust in-car camera recording policies. Again, grant funding played an integral role in the deployment of this new technology. When implemented correctly body cameras can help strengthen the policing profession by promoting agency accountability and transparency. They can also be useful tools in increasing officer professionalism, improving officer training, preserving evidence, and documenting encounters with the public.

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

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

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

Recreation and Public Land

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

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

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

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

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

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

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

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

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

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

Open Space

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

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

Environmental Care and Maintenance

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

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

savings will be realized in solid waste tonnage as a result of the new 96 gallon trash containers delivered to residents. Disposal cost savings were also realized over the current cost for disposal.

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

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

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

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

Sewer Utility

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

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

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

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

Water

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

Natural Gas

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

Township Employees

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Permanent	311	317	310	305	304	292
Part-time	<u>76</u> <u>387</u>	<u>79</u> <u>396</u>	<u>77</u> <u>387</u>	<u>79</u> <u>384</u>	<u>78</u> <u>382</u>	<u>75</u> <u>367</u>

* As of January 20, 2017.

Employee Collective Bargaining Units

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

Business and Industry

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

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

Just 6 miles from Center City Philadelphia, Cherry Hill Township is South Jersey’s hub for business advancement and growth, making it an attractive destination for new retail and corporate centers. In tandem with the Township’s ability to recruit and attract new business establishments, its ability to retain and expand existing businesses is due in large part to the Township’s legacy of strong public-private partnerships (P³) and informed civic leadership. As the State’s fourteenth (14th) largest municipality, strategically located around major arterials with connections to the Nation’s fifth (5th) largest city (Philadelphia), Cherry Hill’s location makes it a community of exceptional economic opportunity – playing a key role in the Region’s marketplace.



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

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



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

¹ Sitewise 2016

² 2015 American Community Survey 1-Year Estimate

³ 2011-2015 American Community Survey 5-Year Estimate

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

⁵ NJ Association of Realtors (2016)

⁶ 2016 US Bureau of Labor Statistics

⁷ 2016 New Jersey Department of Labor

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

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

Source: United States Census Bureau

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

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

Ongoing and/or Recently Completed Economic Development Projects:

Kennedy University Hospital. Anticipated to be open by April of 2017, the Kennedy University Hospital redevelopment project is currently under construction and is transforming their 27-acre campus in the center of Cherry Hill.



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



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

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



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

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

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



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

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



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

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

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

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



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



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

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

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



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

Economic Development Projects in the Pipeline:

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

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

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



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

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



Philadelphia with connections in Pennsauken Township via the RiverLine to the Northeast Corridor to New York City) and points west to the Atlantic City Convention Center.

The site is adjoining other major retail development with the Garden State Park planned unit commercial development (i.e. - Home Depot, Wegman's, Nordstrom Rack, etc.) and planned unit residential development, which at build out will include 1,659 units. Total investment is approximately \$50 million and will create 150+/- jobs.

Lidl Grocery. This project proposes the construction of construct a 35,962 SF Lidl grocery store at the Walmart Shopping Center located on Route 38 owned by Urban Edge



(also known as Vornado). This highly competitive German grocer, which has taken over Europe – in competition with Aldi markets (which recently acquired Bottom Dollar), has recently planned as US expansion – including Cherry Hill. Lidl US has goals to start opening stores in 2018. The chain, which is like a cross between Walmart and Trader Joe's, offers deep discounts on groceries, household appliances, clothes, and furniture.

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



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



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

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

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



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

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

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

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

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



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

- **Hampton Road Redevelopment Plan** is currently in development and is scheduled to redevelop a 20.3 acre area of former industrial "brownfields" and other work yard and minor office uses. The vision is to transform the site that currently contains obsolete and abandoned structures into a new and higher use composed of high-quality buildings and public spaces.

The Township is also in the process of investigating the former Baker Lanes Bowling Center to determine eligibility as an Area in Need of Redevelopment. The investigation is currently in draft form and is focusing on the transformation of an abandoned and derelict former bowling facility that has sat unused for more than 4 years. The project is located on a 20.3 acre site and has a construction value of over \$80 million.

- **Baker Lanes Redevelopment Plan** is currently in development and is scheduled to redevelop a 3.6 acre area, former utilized as a bowling alley (now currently vacant and dilapidated) into a 90-bed inpatient residential health care treatment facility. The Redevelopment Plan is anticipated to be adopted in February of 2017.

Economic Development Projects Currently Under Construction:

Plaza Grande Age-Restricted Condominiums. Construction has restarted on this 608-unit age-restricted condominium development on 35 acres in the Garden State Park. The project was stalled in the economic downturn; however, the Township worked with the new developer/purchaser of the project to restart and redesign the units and site plan to respond to the current market. Two (2) new

buildings (32 units each) have recently been completed, with occupancy occurring in the last quarter of 2016 and occurring in the first quarter of 2017. One (1) additional building is in the foundation and site construction phase with the anticipation that a second building will be in a similar phase shortly.

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



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

Wood Springs Suites Hotel. Site work construction commenced in the 3rd quarter of 2016 with substantial building construction occurring currently on this 4 acre site (formerly known as the former Steak 'n Ale restaurant) for the development of a new 138-room extended-stay hotel that is located immediately off the Route 70 corridor at the I-295 interchange.

Republic Bank. This project is currently under construction and is for the development of a 3,316 SF bank with drive-thru facility located at the Libertyview office complex across from Garden State Park and the Commerce Center office complex.

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

Economic Growth & Expansion:

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

CONSTRUCTION ACTIVITY (FISCAL YEAR COMPARISON)		
(JULY 1, 2014-JUNE 30, 2015 VS. JULY 1, 2015-JUNE 30, 2016)		
	FY 2015	FY 2016
Permits	4,246	4,384
Permits By Discipline¹	7,063	7,141
Construction Activity	\$75.6M	\$151.7M
New/Addition	\$13.8M	\$77.05M
Renovation	\$60.8M	\$74.2M
Inspections	14,087	13,423
Fees	\$1.52M	\$2.93M

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

BUILDING PERMITS		
YEAR	PERMITS	VALUE OF CONSTRUCTION
2016	4,273	\$127,400,408
2015	4,149	\$96,687,494
2014	4,162	\$72,279,175
2013	4,011	\$65,838,511
2012	4,231	\$96,000,000
2011	3,400	\$68,264,677

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Healthcare as a Driving Economic Force:

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

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

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

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



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

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

Community Planning

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

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

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

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

Sustainability

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

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

Transportation and Infrastructure Investments

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

New Jersey Transit provides bus transportation and operates a rail station linking Cherry Hill with Philadelphia and Atlantic City. PATCO (Port Authority Transit Company) provides high speed rail

line transportation with stations connecting to Philadelphia towards the west, Lindenwold (towards the east with connections to Atlantic City) and all points in between that link the suburbs with Camden (and its centers of higher education such as Rowan and Rutgers' Universities, Camden County College, healthcare providers, and regional entertainment and job sources).

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

The Township has adopted a Complete Streets policy designed to make the township's roads safer and more accessible for everyone. This new initiative will create a comprehensive, integrated multi-modal transportation network by connecting bicycling and walking in all the township's future street and sidewalk transportation projects.

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

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

EDUCATION (1)

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

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

(1) Source: School District officials

School District Enrollments(1)(2)

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

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

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

(1) Source: School District officials

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

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

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

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

HIGHER EDUCATION FACILITIES

Rutgers University-Camden Campus

Rutgers University-Camden ("Rutgers"), is a comprehensive, publicly-supported, co-educational four-year institution accredited by the Middle States Association of Colleges and Secondary Schools and funded primarily by the State, was founded in 1950 on a 23.8 acre campus in the City of Camden. As of the Fall 2015, there were approximately 4,899 undergraduate students and 1,509 graduate/professional students for a total of 6,408.

The New Jersey State Legislature is considering legislation to further reorganize all or portions of the New Jersey State University System, which may include Rowan University, Rowan Medical School and Rutgers University. Such legislation is in a formative stage and no assurances can be made as to when, or if, such legislation would be approved or what effect such legislation would have on the above referenced Universities.

Camden County College

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

As of the Fall of 2015, full time enrollment was 5,646 and part-time enrollment was 5,617 for a total of 11,263.

Camden County Technical Schools

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

For high school students, there are 37 career programs from which to choose. For the 2015-2016 school year, 1,318 students are enrolled at the Gloucester Township Campus, and 767 at the Pennsauken Campus, including 491 Special Education Students. Seniors are offered the opportunity to participate in several of our school-to-career programs and are offered lifetime job placement assistance. In addition, students are offered a full-range of athletics and activities to complement their education. Through Camden County College, high school juniors and seniors at CCTS have various opportunities to earn college credit for college level work completed while in high school. Students may bank the credits earned for future enrollment at colleges and universities.

Other Educational Facilities

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

CERTAIN FINANCIAL INFORMATION

LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2017 Assessed Valuation</u>
Cherry Hill Center	Regional Mall	\$402,000,000
Cherry Hill Retail Partners, LLC	Garden State Park Box Stores	68,000,000
FC CH LLC and NM Cherry Hill	Penn Medical Building	59,900,000
Grand Cherry Hill Owner, LLC	The Grand Apartments	52,000,000
Cherry Hill Towne Center Partners	Garden State Park Restaurants	40,811,400
Behringer Harvard	Borough's Mill Apartments	35,000,000
Cherry Hill Towers, LLC	Cherry Hill Towers Apartments	33,300,000
Federal Realty Investment Trust	Ellisburg Shopping Center	27,681,900
Macy's East, Inc.	Macy's Department Store	23,800,000
Camden Holdings, LLC	Walmart Shopping Center	23,716,100

CURRENT TAX COLLECTIONS(2)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Collection in Fiscal Year of Levy</u>		<u>Outstanding End of Fiscal Year</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2016	\$296,275,968	\$295,905,472	99.87%	\$15,390	0.01%
2015	294,857,999	294,532,815	99.89	21,938	0.01
2014	283,845,000	283,660,267	99.93	45,682	0.02
2013	284,552,394	284,015,611	99.81	26,297	0.01
2012	284,977,054	284,702,077	99.90	57,260	0.02

DELINQUENT TAXES(2)

<u>Fiscal Year</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding End of Fiscal Year</u>
			<u>Amount</u>	<u>Percentage</u>			
2016	\$25,492	---	\$7,088	27.80%	---	\$17,268	\$1,136
2015	61,481	\$2,583	52,567	82.05	---	7,943	3,554
2014	41,827	---	26,027	62.23	---	---	15,800
2013	59,314	---	43,785	73.82	---	---	15,529
2012	35,258	---	33,204	94.17	---	---	2,054

(1) Source: Township's Tax Assessor

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

TAX TITLE LIENS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Transfer to Foreclosed Property</u>	<u>Canceled</u>	<u>Balance End of Fiscal Year</u>
2016	\$575,768	\$253,288	\$31,335	---	---	\$797,721
2015	381,425	275,542	45,737	---	\$35,462	575,768
2014	323,494	70,441	12,510	---	---	381,425
2013	266,089	90,064	32,659	---	---	323,494
2012	220,889	78,986	33,786	---	---	266,089

FORECLOSED PROPERTY(1)(2)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Foreclosed Taxes and Liens</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance End of Fiscal Year</u>
2016	\$2,223,077	---	---	\$2,223,077
2015	2,061,077	---	\$162,000	2,223,077
2014	2,061,077	---	---	2,061,077
2013	2,063,077	---	2,000	2,061,077
2012	2,063,077	---	---	2,063,077

CURRENT SEWER UTILITY COLLECTIONS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Total Levy</u>	<u>Collected in Fiscal Year of Levy</u>		<u>Outstanding End of Fiscal Year</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2016	\$4,067	\$4,150,423	\$4,152,111	99.94%	\$2,291	.06%
2015	7,564	4,109,215	4,112,537	99.90	4,067	.10
2014	2,722	4,138,550	4,133,708	99.82	7,564	.19
2013	5,185	4,209,855	4,212,318	99.94	2,722	.06
2012	3,240	4,156,480	4,154,536	99.88	5,185	.12

SEWER UTILITY LIENS(1)

<u>Fiscal Year</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Transfer to Foreclosed Property</u>	<u>Receipts</u>	<u>Balance End of Fiscal Year</u>
2016	\$181	\$89	\$181	---	---	\$89
2015	---	181	---	---	---	181
2014	---	---	---	---	---	---
2013	---	---	---	---	---	---
2012	---	---	---	---	---	---

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

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

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

Tax Rate(2)

<u>Calendar Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate(2)</u>							
		<u>Total</u>	<u>County</u>	<u>School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>Fire District</u>	<u>County Open Space</u>
2016	\$7,619,789,878	\$3.928	\$0.865	\$2.161	\$0.548	\$0.010	\$0.034	\$0.288	\$0.022
2015	7,584,322,338	3.866	0.855	2.112	0.546	0.010	0.032	0.289	0.022
2014	7,568,211,510	3.823	0.850	2.075	0.547	0.010	0.032	0.287	0.022
2013(3)	7,564,599,160	3.744	0.805	2.036	0.551	0.010	0.028	0.292	0.022
2012	4,438,792,540	6.371	1.410	3.405	0.975	0.011	0.033	0.497	0.040

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

<u>Calendar Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita(5)</u>
2016	\$7,601,804,500	94.62%	\$8,034,035,616	\$113,084
2015	7,566,402,300	94.62	7,996,620,482	112,557
2014	7,551,257,300	92.66	8,149,425,103	114,708
2013(3)	7,544,295,600	95.36	7,911,383,809	111,357
2012	4,427,462,406	53.58	8,263,274,367	116,310

REAL PROPERTY CLASSIFICATION(1)

<u>Calendar Year</u>	<u>Assessed Value</u>						
	<u>Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2016	\$7,601,804,500	\$76,273,200	\$5,348,337,000	\$1,739,078,400	\$164,089,200	\$268,852,100	\$5,174,600
2015	7,566,402,300	72,762,700	5,337,646,700	1,726,096,800	170,726,700	253,995,100	4,997,100
2014	7,551,257,300	80,612,600	5,322,304,400	1,721,262,000	173,424,700	248,479,300	5,174,300
2013(3)	7,544,295,600	83,261,600	5,310,627,200	1,727,121,400	183,270,200	234,420,400	5,594,800
2012	4,427,462,406	52,418,400	3,258,093,506	908,158,200	105,747,100	99,248,700	3,796,500

(1) Source: Camden County Board of Taxation

(2) Per \$100 of assessed valuation

(3) Revaluation

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

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

FUND BALANCE--CURRENT FUND(1)

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized In Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$20,337,268	\$8,948,698	44.00%
2015	17,881,992	7,530,085	42.11
2014	14,793,707	7,163,848	48.42
2013	14,695,463	5,423,759	36.91
2012	12,352,410	5,313,000	43.01

FUND BALANCE—SEWER UTILITY OPERATING FUND(1)

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized In Budget of Succeeding Fiscal Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$4,090,195	\$799,542	19.55%
2015	3,674,721	700,000	19.05
2014	3,464,453	700,000	20.21
2013	3,110,090	700,000	22.51
2012	2,337,289	700,000	29.95

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

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

The following table summarizes the direct debt of the Township as of December 31, 2016. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Sewer Utility, debt authorized by Another Public Body and debt of the Local School District. Deductions from gross debt to arrive at net debt include deductible school debt, debt authorized by Another Public Body, as well as debt considered to be self-liquidating. The resulting net debt of \$110,685,288 represents 1.38% of the average of equalized valuations for the Township for the last three (3) years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Debt Authorized but not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Notes	Loans	Bonds Issued by Another Public Body			Bonds Issued by Another Public Body	School Debt	Self-Liquidating Debt	
General	\$ 62,155,000	\$22,227,902	\$5,516,772		\$20,785,613	\$110,685,288				\$110,685,288
Sewer	14,440,000	4,024,740			8,871,385	27,336,125			\$ 27,336,125	
School District	10,125,000					10,125,000		\$10,125,000		
Bonds Issued by Another Public Body				\$ 8,475,000		8,475,000	\$ 8,475,000			
	<u>\$ 86,720,000</u>	<u>\$26,252,642</u>	<u>\$5,516,772</u>	<u>\$ 8,475,000</u>	<u>\$29,656,998</u>	<u>\$ 156,621,413</u>	<u>\$ 8,475,000</u>	<u>\$10,125,000</u>	<u>\$ 27,336,125</u>	<u>\$110,685,288</u>

(1) As of December 31, 2016

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2013, 2014 and 2015	\$8,028,238,331
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2013, 2014 and 2015	1.38%
2016 Net Valuation Taxable	\$7,619,789,878
2016 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$8,052,020,994
Gross Debt (3):	
As a percentage of 2016 Net Valuation Taxable	2.06%
As a percentage of 2016 Equalized Valuations	1.95%
Net Debt (3):	
As a percentage of 2016 Net Valuation Taxable	1.45%
As a percentage of 2016 Equalized Valuations	1.37%
Gross Debt Per Capita (4)	\$2,205
Net Debt Per Capita (4)	\$1,558

TOWNSHIP BORROWING CAPACITY(1)(2)

3.5% of Averaged (2013-15) Equalized Valuation of Real Property including Improvements (\$8,028,238,331)	\$280,988,342
Net Debt	<u>110,685,288</u>
Remaining Borrowing Capacity	<u><u>\$170,303,054</u></u>

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

4% of Averaged (2013-15) Equalized Valuation of Real Property including Improvements (\$8,028,238,331)	\$321,129,533
Local School Debt	<u>10,125,000</u>
Remaining Borrowing Capacity	<u><u>\$311,004,533</u></u>

-
- (1) As of December 31, 2016
 - (2) Source: Township Auditor
 - (3) Excluding overlapping debt
 - (4) Based on Federal 2010 Census of 71,045

**TOWNSHIP OF CHERRY HILL
OVERLAPPING DEBT AS OF DECEMBER 31, 2015**

	DEBT ISSUED				
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	<u>Debt Auth. but not Issued</u>
County of Camden(1):					
General:					
Bonds	\$ 35,695,000	\$ 12,761,633 (2)	\$ 22,933,367	\$ 4,992,594 (4)	\$ 204,000
Loan Agreements	269,003,014		269,003,014	58,561,956 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	471,754,632	471,754,632 (3)	-		
Township of Cherry Hill Fire District (5)	12,105,000		12,105,000	12,105,000	
	<u>\$ 788,557,646</u>	<u>\$ 484,516,265</u>	<u>\$ 304,041,381</u>	<u>\$ 75,659,550</u>	<u>\$ 204,000</u>

(1) Source: County of Camden

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

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

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2015 Net Valuation on which County taxes are apportioned, which is 21.77%.

(5) Source: Entity's Audit Report

Camden County Municipal Utilities Authority

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

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

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

The gross debt as of December 31, 2015 for the CCMUA was \$257,479,821. The County guarantees up to \$685,500,000 of debt issued by the CCMUA.

Camden County Improvement Authority

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

The amount of debt which the County has guaranteed or for which it has a repayment obligation as of December 31, 2015 was \$392,763,997.

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

Fiscal Year Ended <u>June 30</u>	Present							Grand Total
	General			Sewer Utility				
	<u>Principal</u>	<u>Interest</u>	<u>Total General Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Sewer Debt Service</u>		
2017	\$ 1,780,000	\$ 1,217,922	\$ 2,997,922	\$ 465,000	\$ 238,394	\$ 703,394	\$ 3,701,316	
2018	6,865,000	2,296,569	9,161,569	1,110,000	451,613	1,561,613	10,723,181	
2019	7,115,000	2,045,419	9,160,419	1,150,000	412,088	1,562,088	10,722,506	
2020	7,410,000	1,753,044	9,163,044	1,185,000	370,663	1,555,663	10,718,706	
2021	7,895,000	1,413,669	9,308,669	1,265,000	322,013	1,587,013	10,895,681	
2022	7,685,000	1,057,119	8,742,119	1,300,000	266,363	1,566,363	10,308,481	
2023	8,045,000	686,994	8,731,994	1,390,000	205,188	1,595,188	10,327,181	
2024	8,380,000	349,194	8,729,194	1,435,000	154,050	1,589,050	10,318,244	
2025	2,275,000	154,206	2,429,206	590,000	122,488	712,488	3,141,694	
2026	2,325,000	105,863	2,430,863	605,000	109,950	714,950	3,145,813	
2027	2,380,000	53,550	2,433,550	620,000	96,338	716,338	3,149,888	
2028				635,000	82,388	717,388	717,388	
2029				650,000	67,306	717,306	717,306	
2030				665,000	51,869	716,869	716,869	
2031				680,000	35,244	715,244	715,244	
2032				695,000	18,244	713,244	713,244	
	<u>\$ 62,155,000</u>	<u>\$ 11,133,547</u>	<u>\$ 73,288,547</u>	<u>\$ 14,440,000</u>	<u>\$ 3,004,194</u>	<u>\$ 17,444,194</u>	<u>\$ 90,732,741</u>	

(1) As of December 31, 2016

**SCHEDULE OF OUTSTANDING DEBT SERVICE
LONG TERM LOANS AND LEASE PURCHASE AGREEMENTS ONLY (1)**

Fiscal Year Ended <u>June 30</u>	Present						Grand Total
	General			Lease Purchase Agreements			
	<u>Long Term Loans</u>		<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2017	\$ 42,077	\$ 70,662	\$ 112,739	\$ 1,260,000	\$ 182,400	\$ 1,442,400	\$ 1,555,139
2018	628,189	132,330	760,519	1,320,000	301,800	1,621,800	2,382,319
2019	644,284	114,018	758,302	1,390,000	235,800	1,625,800	2,384,102
2020	671,345	94,813	766,158	1,445,000	180,200	1,625,200	2,391,358
2021	679,508	74,703	754,211	1,500,000	122,400	1,622,400	2,376,611
2022	700,541	53,837	754,378	1,560,000	62,400	1,622,400	2,376,778
2023	726,067	31,978	758,045				758,045
2024	320,605	18,595	339,200				339,200
2025	326,599	14,143	340,742				340,742
2026	330,451	9,480	339,931				339,931
2027	226,753	5,325	232,078				232,078
2028	220,355	1,775	222,130				222,130
	<u>\$ 5,516,772</u>	<u>\$ 621,660</u>	<u>\$ 6,138,433</u>	<u>\$ 8,475,000</u>	<u>\$ 1,085,000</u>	<u>\$ 9,560,000</u>	<u>\$ 15,698,433</u>

(1) As of December 31, 2016

**TOWNSHIP OF CHERRY HILL
FISCAL YEAR 2017 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$8,834,698
Local Revenues	5,305,434
State Aid Without Offsetting Appropriations	8,775,844
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	1,500,000
Special Items of Revenue with Consent of DLGS:	
Public and Private Revenues	166,771
Other Special Items	262,730
Receipts from Delinquent Taxes	10,000
Amount to be Raised from Taxation	<u>44,371,503</u>
Total Anticipated Revenues	<u><u>\$69,226,980</u></u>
Appropriations:	
General Appropriations for Municipal Purposes within "CAPS"	\$50,475,322
Excluded from "CAPS":	
Other Operations	3,083,305
Public and Private Progs Offset by Revs.	205,713
Capital Improvements	2,197,292
Municipal Debt Service	11,830,377
Reserve for Uncollected Taxes	<u>1,434,972</u>
Total Appropriations	<u><u>\$69,226,980</u></u>

SEWER UTILITY FUND

Anticipated Revenues:	
Fund Balance	\$799,542
Rents	3,700,000
Miscellaneous	15,000
Sewer Connection Fees	<u>25,000</u>
Total Anticipated Revenues	<u><u>\$4,539,542</u></u>
Appropriations:	
Salaries and Wages	\$1,455,000
Other Expenses	1,167,500
Third Party Sewer Authority	42,500
Debt Service	1,609,542
Statutory Expenditures	<u>265,000</u>
Total Appropriations	<u><u>\$4,539,542</u></u>

(1) As adopted on September 14, 2016

**TOWNSHIP OF CHERRY HILL
CAPITAL BUDGET (1)
Projects Scheduled for the Fiscal Years 2017-2022**

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>SFY 2017 Budget Appropriations</u>	<u>Capital Improvement Fund</u>	<u>Debt Authorized Bonds and Notes</u>	
				<u>General</u>	<u>Self- Liquidating</u>
Municipal Projects:					
Road Improvements	\$4,050,000		\$192,400	\$3,857,600	
Parks and Recreation	1,426,364		71,318	1,355,045	
DPW Equipment and Vehicles	742,000		37,100	704,900	
Police Equipment	192,600		9,630	182,970	
IT	97,370		4,869	92,502	
Administration Projects:					
Building Renovations and Equipment	639,500		31,975	607,525	
Purchase of Woodcrest Property	1,600,000	\$1,600,000			
Sewer Utility Upgrades:					
DPW Sanitary Sewer Equipment and Upgrades	1,650,000				\$1,650,000
Sanitary Sewer System Upgrades	350,000				350,000
TOTAL PROJECTS	\$10,747,834	\$1,600,000	\$347,292	\$6,800,542	\$2,000,000

(1) As adopted on September 14, 2016

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE
TOWNSHIP OF CHERRY HILL
FOR THE FISCAL YEARS ENDED
JUNE 30, 2016, 2015, 2014, 2013 AND 2012**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Cherry Hill, in the County of Camden, State of New Jersey, as of June 30, 2016, 2015, 2014, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Cherry Hill, in the County of Camden, State of New Jersey, as of June 30, 2016, 2015, 2014, 2013 and 2012, or the results of its operations and changes in fund balance for the fiscal years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Cherry Hill, in the County of Camden, State of New Jersey, as of June 30, 2016, 2015, 2014, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the fiscal years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
December 21, 2016

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

	As of June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash	\$34,610,826	\$30,038,087	\$24,841,935	\$24,511,726	\$16,178,378
Federal, State and Other Grants Receivable	456,998	444,665	464,924	500,720	687,581
Due from State of New Jersey	329,623	347,455	313,089	392,741	404,465
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	16,526	25,492	61,481	41,826	59,315
Tax Title Liens Receivable	797,722	575,768	381,425	323,494	266,089
Property Acquired for Taxes-- Assessed Valuation	2,223,077	2,223,077	2,061,077	2,061,077	2,063,077
Revenue Accounts Receivable	83,273	264,901	262,977	264,901	256,115
Interfunds Receivable	5	6	1,246,730	38,490	34,574
Deferred Charges:					
Special Emergency Appropriations		340,000	680,000	1,020,000	1,360,000
	<u>\$38,518,050</u>	<u>\$34,259,450</u>	<u>\$30,313,638</u>	<u>\$29,154,974</u>	<u>\$21,309,594</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$5,627,819	\$3,474,521	\$1,608,870	\$789,539	\$735,432
Accounts Payable	192,132	45,000	231	199,745	210,715
Fire District Taxes Payable	4,931,254	4,928,667	4,894,242	4,956,342	
Reserve for Encumbrances	2,855,895	2,387,657	3,138,144	2,876,522	1,680,365
Interfunds Payable		768,831		461,842	291,707
Prepaid Revenues	684,093	671,822	403,913	493,121	452,432
Tax Overpayments	19,260	9,315	13,941	20,445	20,455
Special Emergency Notes Payable			680,000	1,020,000	1,360,000
Other Liabilities and Special Funds	39,444	31,277	27,414	23,826	40,418
Reserve for Revaluation		279,274	331,372	371,891	776,162
Reserve for Receivables and Other Assets	3,120,603	3,089,244	4,013,691	2,729,788	2,679,170
Reserve for Federal and State Grants	710,282	691,851	408,115	516,451	710,327
Fund Balance	<u>20,337,268</u>	<u>17,881,992</u>	<u>14,793,707</u>	<u>14,695,463</u>	<u>12,352,410</u>
	<u>\$38,518,050</u>	<u>\$34,259,450</u>	<u>\$30,313,638</u>	<u>\$29,154,974</u>	<u>\$21,309,594</u>

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

**TOWNSHIP OF CHERRY HILL
CURRENT FUND**

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

	For the Year Ended June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue Realized:					
Current Tax Collections	\$295,905,472	\$294,532,814	\$283,660,267	\$284,015,611	\$284,702,077
Delinquent Tax Collections	38,423	98,304	38,537	76,445	66,990
Total Taxes	295,943,895	294,631,118	283,698,804	284,092,056	284,769,068
Miscellaneous Revenues Anticipated	23,889,584	17,725,068	17,607,074	18,322,925	19,209,423
Other Income	5	4,927,538	2,616,386	1,728,719	3,345,733
Fund Balance Utilized	7,530,085	7,163,848	5,423,759	5,313,000	2,500,000
Total Income	327,363,569	324,447,571	309,346,023	309,456,700	309,824,223
Expenditures and Encumbrances:					
Operating	48,773,363	47,304,596	45,859,699	42,946,495	42,445,855
Capital Improvements	1,010,097	414,037	503,996	503,000	252,000
Debt Service	11,046,979	11,111,322	11,662,202	12,053,336	13,583,251
Deferred Charges	87,072	405,007	372,382	399,542	358,635
Pension and Social Security Judgments	4,899,055	4,706,505	4,359,644	6,459,808	4,609,247
County Taxes	66,957,895	68,079,277	61,710,809	64,474,571	67,607,485
Local District School Purposes	161,933,919	158,496,194	155,444,194	152,453,342	149,768,152
Municipal Open Space Tax	758,432	756,821	756,460	443,879	451,202
Fire District Taxes	21,910,217	21,819,123	21,907,435	22,028,184	21,601,528
Other Expenditures	1,180	437	1,247,200	38,489	246,212
Total Expenditures and Encumbrances	317,378,209	314,195,438	303,824,021	301,800,647	300,923,567
Statutory Excess to Fund Balance	9,985,361	10,252,133	5,522,003	7,656,053	8,900,656
Fund Balance Beginning of Year	17,881,992	14,793,707	14,695,463	12,352,410	5,951,754
Decreased by:	27,867,353	25,045,840	20,217,466	20,008,463	14,852,410
Utilized as Revenue	7,530,085	7,163,848	5,423,759	5,313,000	2,500,000
Fund Balance Ending of Year	\$20,337,268	\$17,881,992	\$14,793,707	\$14,695,463	\$12,352,410

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

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

	As of June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Cash	\$1,162,062	\$2,427,683	\$49,819	\$3,803,829	\$4,106,963
Interfunds Receivable					43
Grants Receivable	73,042	400,000	313,542	260,542	86,592
Due from Camden County Improvement Authority	7	7	95,554	178,957	178,947
Deferred Charges to Future Taxation: Amount to be Provided for Retirement of Obligations Under Capital Lease	8,475,000	9,690,000	10,855,000	11,980,000	13,055,000
Funded	73,121,857	80,278,982	88,917,040	95,703,580	74,176,251
Unfunded	36,223,073	23,598,485	15,758,388	9,725,020	35,608,578
	<u>\$119,055,041</u>	<u>\$116,395,157</u>	<u>\$115,989,343</u>	<u>\$121,651,928</u>	<u>\$127,212,374</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds and Loans Payable	\$73,121,857	\$80,278,982	\$88,917,040	\$95,703,580	\$74,176,251
Bond Anticipation Notes	13,299,800	8,294,000			27,133,000
Obligations Under Capital Leases	8,475,000	9,690,000	10,855,000	11,980,000	13,055,000
Improvement Authorizations:					
Funded			123,354	188,709	89,211
Unfunded	4,635,838	4,854,305	6,506,308	8,499,023	6,073,884
Capital Improvement Fund	2,370	2,370	2,370	2,370	2,079
Contracts Payable	10,104,383	2,578,807	1,520,764	1,667,521	2,864,198
Retained Percentage Due Contractors	43,527	33,829	69,146	65,268	25,609
Interfunds Payable		5	1,226,056	1,613	
Reserves for Payment of Debt	262,730	496,476	404,994	404,994	404,994
Reserves for Grant Receivable			1,360	1,360	1,360
Other Liabilities and Special Funds	8,939,454	9,996,302	6,098,682	2,943,321	3,196,802
Reserve for Construction of Library and Recreation Fields	7	7	95,554	68,926	68,916
Fund Balance	170,075	170,074	168,714	125,244	121,069
	<u>\$119,055,041</u>	<u>\$116,395,157</u>	<u>\$115,989,343</u>	<u>\$121,651,928</u>	<u>\$127,212,374</u>

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

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

ASSETS	As of June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Fund:					
Cash	\$4,666,416	\$4,410,551	\$3,894,728	\$3,571,217	\$2,869,423
Receivables with Full Reserves:					
Consumer Accounts Receivable	2,291	4,067	7,564	2,722	5,185
Liens Receivable	89	181			
Assessments Receivable	175,405	195,141	208,306	237,700	266,277
Interfund Receivables	98,190	40	119,637	126,167	4
Total Operating Fund	4,942,391	4,609,979	4,230,236	3,937,807	3,140,888
Capital Fund:					
Cash	869,036	2,595,111	1,248,512	2,330,992	1,918,480
Fixed Capital	41,112,164	41,112,164	41,112,164	41,112,164	29,421,564
Fixed Capital Authorized and Uncompleted	11,282,700	9,342,700	9,342,700	7,302,700	16,874,700
Interfund Receivables					103,902
Total Capital Fund	53,263,900	53,049,975	51,703,376	50,745,856	48,318,645
Assessment Trust Fund:					
Cash	6,067	6,066	4,200	4,197	4,201
Assessments Receivable			1,868	1,868	1,868
Total Assessment Trust Fund	6,067	6,066	6,068	6,066	6,069
	\$58,212,358	\$57,666,020	\$55,939,679	\$54,689,729	\$51,465,602

(Continued)

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

LIABILITIES, RESERVES AND FUND BALANCE	As of June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Fund:					
Appropriation Reserves	\$322,953	\$445,963	\$193,339	\$90,605	\$60,590
Reserve for Encumbrances	145,410	86,580	185,132	321,533	83,350
Accrued Interest on Bonds and Notes	182,974	170,266	162,075	160,739	270,863
Accounts Payable	13,349	19,712	3,382	3,349	5,066
Prepaid Revenues	9,726	13,349	5,889	11,069	8,366
Interfunds Payable			95		103,902
Reserve for Receivables	177,785	199,388	215,870	240,422	271,461
Fund Balance	4,090,195	3,674,721	3,464,453	3,110,090	2,337,289
Total Operating Fund	4,942,391	4,609,979	4,230,236	3,937,807	3,140,888
Capital Fund:					
Serial Bonds	15,050,000	16,090,000	17,150,000	18,170,000	8,516,000
Bond Anticipation Notes	2,794,400	3,000,000			10,607,500
Improvement Authorizations:					
Funded			771,660	739,887	
Unfunded	2,902,731	1,548,638	6,170,573	5,286,241	6,052,874
Interfunds Payable	98,189	40	52	71	
Contracts Payable	906,729	468,732	1,248,657	1,693,633	188,558
Retained Percentage Due Contractors	20,937	22,537	8,908	3,586	204
Other Liabilities and Special Funds	5,042,176	6,413,288	1,906,788	1,523,699	1,480,770
Reserve for:					
Amortization	26,062,164	25,022,164	23,962,164	22,942,164	20,905,564
Deferred Amortization	386,575	386,575	386,575	386,575	567,175
Fund Balance		98,000	98,000		
Total Capital Fund	53,263,900	53,049,975	51,703,376	50,745,856	48,318,645
Assessment Trust Fund:					
Interfunds Payable	1		2		4
Fund Balance	6,066	6,066	6,066	6,066	6,066
Total Assessment Trust Fund	6,067	6,066	6,068	6,066	6,069
	\$58,212,358	\$57,666,020	\$55,939,679	\$54,689,729	\$51,465,602

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

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

	For the Year Ended June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenue Realized:					
Fund Balance Utilized	\$700,000	\$700,000	\$700,000	\$700,000	
Rents	4,152,292	4,112,537	4,133,707	4,212,319	\$4,154,536
Other Income	241,531	127,023	201,387	344,669	582,889
Other Credits to Income	451,197	311,409	172,825	83,507	114,421
Total Income	5,545,020	5,250,969	5,207,919	5,340,495	4,851,845
Expenditures and Encumbrances:					
Operating	2,598,318	2,536,480	2,343,076	2,042,014	1,998,850
Debt Service	1,592,729	1,596,003	1,585,898	1,610,680	1,127,687
Pension and Social Security	238,500	206,350	224,582	215,000	212,200
Deferred Charges		1,868			
Surplus (General Budget)					400,000
Total Expenditures and Encumbrances	4,429,546	4,340,701	4,153,556	3,867,694	3,738,737
(Deficit) Excess in Revenue	1,115,474	910,268	1,054,363	1,472,801	1,113,108
Fund Balance Beginning of Year	3,674,721	3,464,453	3,110,090	2,337,289	1,224,181
	4,790,195	4,374,721	4,164,453	3,810,090	2,337,289
Decreased by:					
Utilized by:					
Current Fund Budget Revenue	700,000	700,000	700,000	700,000	
Fund Balance End of Year	\$4,090,195	\$3,674,721	\$3,464,453	\$3,110,090	\$2,337,289

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

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

	As of June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>
ASSETS					
Cash	\$22,017,312	\$20,552,541	\$18,708,861	\$14,656,893	\$9,594,011
Federal and State Grants Receivable	638,433	618,689	858,090	918,371	951,689
Interfund Loans Receivable	38,325	807,156	38,325	498,966	329,990
Accounts Receivable--Other	1,707,353	1,389,009	1,398,544	1,309,742	1,388,918
Deferred Charges	34,635	26,346	40,938	32,382	59,542
	<u>\$24,436,058</u>	<u>\$23,393,740</u>	<u>\$21,044,760</u>	<u>\$17,416,355</u>	<u>\$12,324,150</u>
LIABILITIES, RESERVES, AND FUND BALANCE					
Accounts Payable	\$268,822	\$246,238	\$265,072	\$266,868	\$220,896
Reserve for Encumbrances	217,601	157,045	92,333	41,962	
Interfund Loans Payable	38,330	38,326	178,487	75,203	72,899
Reserve for Certain Assets Receivable	1,707,353	1,389,009	1,398,544	1,309,742	1,261,709
Reserve for Special Funds	21,306,120	20,730,165	18,529,867	14,947,456	10,768,646
Fund Balance	897,832	832,957	580,457	775,123	
	<u>\$24,436,058</u>	<u>\$23,393,740</u>	<u>\$21,044,760</u>	<u>\$17,416,355</u>	<u>\$12,324,150</u>

(1) Effective 7/1/2012, the Cherry Hill Public Library's financial statements are presented as a trust fund in the Township's financial statements in accordance with the provisions of N.J.A.C. 15:21-12.4 utilizing the same basis of accounting as the Township.

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

TOWNSHIP OF CHERRY HILL
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds which are described as follows (cont'd):

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

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

Sewer Utility Assessment Fund - The Sewer Utility Assessment Fund accounts for special assessments levied against property owners for sewer improvements which benefit property owners, rather than the Township as a whole.

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

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

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

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

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to 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 acquisition value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Cherry Hill School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2015 to June 30, 2016.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. In municipalities that which operate on a fiscal year (i.e. July 1 - June 30), operations is charged for the full amount of taxes required to be paid during the calendar year 2015 less one-half of the calendar year 2014 taxes, plus one-half of the full amount of taxes required to be paid during 2016. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Cherry Hill Fire District. In accordance with N.J.S.A. 40A:14-79, operations is charged for 56.25% of the full amount required to be raised by taxation for 2015 and 43.75% for 2016.

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the fiscal year ended June 30, 2016, the Township adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the financial statements of the Township.

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

Impact of Recently Issued Accounting Principles (Cont'd)

Recently Issued and Adopted Accounting Pronouncements (Cont'd)

In addition, the Township adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the financial statements of the Township.

Lastly, the Township adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the financial statements of the Township.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2016, the Township's bank balances of \$64,785,537.05 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 63,557,213.95
Uninsured and Uncollateralized	<u>1,228,323.10</u>
Total	<u>\$ 64,785,537.05</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013*</u>	<u>2012</u>
Tax Rate	\$ 3.928	\$ 3.866	\$ 3.823	\$ 3.744	\$ 6.371
Apportionment of Tax Rate:					
Municipal	\$ 0.548	\$ 0.546	\$ 0.547	\$ 0.551	\$ 0.975
Municipal Open Space	0.010	0.010	0.010	0.010	0.011
Municipal Library	0.034	0.032	0.032	0.028	0.033
County	0.865	0.855	0.850	0.805	1.410
County Open Space Preservation Trust Fund	0.022	0.022	0.022	0.022	0.040
Local School	2.161	2.112	2.075	2.036	3.405
Special District Rates - Fire	0.288	0.289	0.287	0.292	0.497

* Revaluation

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 7,619,789,878.00
2015	7,584,322,338.00
2014	7,568,211,510.00
2013*	7,564,599,160.00
2012	4,438,792,540.00

* Revaluation

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate (1)</u>	<u>Underlying Rate (2)</u>
2016	\$ 296,275,967.89	\$ 295,905,472.44	99.87%	99.37%
2015	294,857,999.39	294,532,814.47	99.89%	99.48%
2014	283,844,999.82	283,660,266.90	99.93%	99.47%
2013	284,552,394.02	284,015,610.84	99.81%	99.39%
2012	284,977,053.90	284,702,077.07	99.90%	99.36%

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

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

Delinquent Taxes and Tax Title Liens

<u>Fiscal Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 797,721.50	\$ 16,526.37	\$ 814,247.87	0.27%
2015	575,768.07	25,492.15	601,260.22	0.20%
2014	381,424.85	61,481.38	442,906.23	0.16%
2013	323,493.72	41,826.46	365,320.18	0.13%
2012	266,089.27	59,314.57	325,403.84	0.11%

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

<u>Fiscal Year</u>	<u>Number</u>
2016	351
2015	335
2014	35
2013	26
2012	30

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 2,223,077.00
2015	2,223,077.00
2014	2,061,077.00
2013	2,061,077.00
2012	2,063,077.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2016	\$ 4,066.63	\$ 180.60	\$ 4,150,423.31	\$ 4,154,670.54	\$ 4,152,291.91
2015	7,564.00	-	4,109,214.78	4,116,778.78	4,112,537.15
2014	2,721.53	-	4,138,549.96	4,141,271.49	4,133,707.49
2013	5,184.59	-	4,209,855.48	4,215,040.07	4,212,318.54
2012	3,240.03	-	4,156,480.09	4,159,720.12	4,154,535.53

Note 6: FUND BALANCES APPROPRIATED

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

<u>Current Fund</u>			
<u>Fiscal Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 20,337,267.75	\$ 8,948,698.46	44.00%
2015	17,881,992.46	7,530,085.00	42.11%
2014	14,793,706.52	7,163,848.00	48.42%
2013	14,695,462.89	5,423,759.00	36.91%
2012	12,352,409.91	5,313,000.00	43.01%

Note 6: FUND BALANCES APPROPRIATED (CONT'D)

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

<u>Sewer Utility Fund</u>			
<u>Fiscal Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 4,090,194.59	\$ 799,542.36	19.55%
2015	3,674,721.03	700,000.00	19.05%
2014	3,464,453.42	700,000.00	20.21%
2013	3,110,090.21	700,000.00	22.51%
2012	2,337,289.15	700,000.00	29.95%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of June 30, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 4.89	
Trust - Animal Control		\$ 38,326.66
Trust - Other	38,325.40	3.63
Sewer Utility - Operating	98,190.01	
Sewer Utility - Capital		98,189.02
Sewer Utility - Assessment		0.99
	<u>\$ 136,520.30</u>	<u>\$ 136,520.30</u>

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

Note 8: PENSION PLANS

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or 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

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

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

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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.40% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 is \$1,351,352.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2015 was \$1,257,190.00, which was paid on April 1, 2016. Employee contributions to the plan during the fiscal year ended June 30, 2016 were \$783,901.12.

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

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

The Township's contractually required contribution rate for the fiscal year ended June 30, 2016 was 26.45% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the fiscal year, with 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)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 is \$3,278,472.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the fiscal year ended June 30, 2015 was \$3,167,231.00, which was paid on April 1, 2016. Employee contributions to the plan during the fiscal year ended June 30, 2016 were \$1,249,304.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the fiscal year ended June 30, 2016 is not known; however, its contractually required contribution rate for the fiscal year ended June 30, 2015 was 2.37% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the fiscal year ended June 30, 2015 was \$296,278.00, and was paid by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the fiscal year ended June 30, 2014 was \$214,914.00, and was paid on April 1, 2015.

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

For the fiscal year ended June 30, 2016, employee contributions totaled \$4,459.07, and the Township's contributions were \$2,333.97. There were no forfeitures during the fiscal year.

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

Public Employees' Retirement System - At June 30, 2016, the Township's proportionate share of the PERS net pension liability was \$32,825,814.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.1462304865%, which was an increase of 0.0022424021% from its proportion measured as of June 30, 2014.

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)

Public Employees' Retirement System (Cont'd) - At June 30, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$2,273,410.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, during fiscal year ended June 30, 2016, the Township's contributions to PERS were \$1,257,190.00 and were paid on April 1, 2016.

Police and Firemen's Retirement System - At June 30, 2016, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 64,901,240.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>5,691,521.00</u>
	<u>\$ 70,592,761.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.3896447944%, which was an increase of 0.0075410063% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was 0.3896447944%, which was an increase of 0.0075410063% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At June 30, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$5,619,271.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, during fiscal year ended June 30, 2016, the Township's contributions to PFRS were \$3,167,231.00 and were paid on April 1, 2016.

At June 30, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is \$709,947.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At June 30, 2016, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 783,109.00	\$ -	\$ 783,109.00	\$ -	\$ 559,794.00	\$ 559,794.00
Changes of Assumptions	3,525,230.00	11,982,381.00	15,507,611.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	527,776.00	1,129,549.00	1,657,325.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	548,502.00	827,177.00	1,375,679.00	-	681,870.00	681,870.00
Township Contributions Subsequent to the Measurement Date	1,351,352.00	3,278,472.00	4,629,824.00	-	-	-
	<u>\$ 6,208,193.00</u>	<u>\$ 16,088,030.00</u>	<u>\$ 22,296,223.00</u>	<u>\$ 527,776.00</u>	<u>\$ 2,371,213.00</u>	<u>\$ 2,898,989.00</u>

\$1,351,352.00 and \$3,278,472.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's fiscal year end of June 30, 2016.

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

	PERS		PFRS	
	<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	-

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

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

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending June 30,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 806,168.00	\$ 1,973,077.00	\$ 2,779,245.00
2018	806,168.00	1,973,077.00	2,779,245.00
2019	806,167.00	1,973,078.00	2,779,245.00
2020	1,207,813.00	3,199,299.00	4,407,112.00
2021	702,749.00	1,319,814.00	2,022,563.00
	<u>\$ 4,329,065.00</u>	<u>\$ 10,438,345.00</u>	<u>\$ 14,767,410.00</u>

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions

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

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

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

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, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

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

Discount Rate - The discount rates used to measure the total pension liability were 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively, and 5.79% and 6.32% for PFRS as of June 30, 2015 and 2014, respectively. 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.

Note 8: PENSION PLANS (CONT'D)

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

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

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 40,798,470.00</u>	<u>\$ 32,825,814.00</u>	<u>\$ 26,141,596.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 85,560,439.00	\$ 64,901,240.00	\$ 48,055,509.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>7,503,232.00</u>	<u>5,691,521.00</u>	<u>4,214,233.00</u>
	<u>\$ 93,063,671.00</u>	<u>\$ 70,592,761.00</u>	<u>\$ 52,269,742.00</u>

Pension Plan Fiduciary Net Position

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

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

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

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

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

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

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

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

Supplementary Pension Information (Cont'd)

Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Fiscal years)

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

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

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

Note 8: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2016, 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, 2016, 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, 2016 Board Meeting.

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

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

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

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

Funding Policy - Employees become eligible for retirement benefits based on having twenty-five (25) years of service with the Township. The currently the Township provides for partial funding of 50% of these benefits up to a maximum of \$9,000 to \$12,500 for most employees. A few employees have individual agreements for full funding of benefits. These amounts that are partially funded are based on negotiated contracts for union employees and Township policy for non-union employees. Partially funded retirees are required to reimburse the Township for any payments made in excess of the established maximum amounts. The funding requirements of the Township are subject to changes in union contracts and Township policy.

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

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

<u>Fiscal Year</u>	<u>Premium Actual Payment</u>	<u>Premium Implied Subsidy</u>	<u>Total Contribution</u>
2016	\$ 349,100.00	\$ 295,100.00	\$ 644,200.00
2015	390,000.00	183,900.00	573,900.00
2014	341,500.00	305,500.00	647,000.00

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

Annual OPEB Cost - For fiscal year June 30, 2016, the Township's annual OPEB cost (expense) of \$2,385,400.00 for the plan was equal to the sum of the ARC, interest on the beginning net OPEB obligation and the adjustment to the ARC. The Township’s annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan were as follows:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 2,550,000.00	\$ 2,550,000.00	\$ 2,350,000.00
Interest on the Net OPEB Obligation	427,200.00	350,000.00	290,000.00
Adjustment to the ARC	(591,800.00)	(490,000.00)	(399,100.00)
Annual OPEB Cost	2,385,400.00	2,410,000.00	2,240,900.00
Pay-as-You Go Cost (Existing Retirees)	(644,200.00)	(573,900.00)	(647,000.00)
Increase (Decrease) in the Net OPEB Obligation	1,741,200.00	1,836,100.00	1,593,900.00
Net OPEB Obligation, July 1	10,680,000.00	8,843,900.00	7,250,000.00
Net OPEB Obligation, June 30	<u>\$ 12,421,200.00</u>	<u>\$ 10,680,000.00</u>	<u>\$ 8,843,900.00</u>
Percentage of Annual OPEB Cost Contributed	27.0%	23.8%	28.9%

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

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

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

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

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

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

Note 10: COMPENSATED ABSENCES

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

Police personnel employed prior to 1987 are entitled in accordance with individual and union contracts to payment for accumulated sick leave after retirement. The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at June 30, 2016, accrued benefits for such compensated absences are valued at \$76,435.00.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding fiscal years. At June 30, 2016, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance June 30, 2016</u>	<u>2017 Budget Appropriation</u>
Animal Control Trust Fund:		
Deficit in Reserve for Animal Control Fund Expenditures	\$ 34,635.20	\$ 34,635.20

The appropriation in the fiscal year 2017 Budget as adopted is not less than that required by the statutes.

Note 13: LEASE OBLIGATIONS

At June 30, 2016, the Township had lease agreements in effect for the following:

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

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

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

<u>Description</u>	<u>Balance at June 30,</u>	
	<u>2016</u>	<u>2015</u>
Vehicles	<u>\$ 665,710.90</u>	<u>\$ 532,489.03</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 295,339.99	\$ 15,446.49	\$ 310,786.48
2018	218,436.54	8,795.77	227,232.31
2019	<u>151,934.37</u>	<u>2,693.43</u>	<u>154,627.80</u>
	<u>\$ 665,710.90</u>	<u>\$ 26,935.69</u>	<u>\$ 692,646.59</u>

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

<u>Year</u>	<u>Amount</u>
2017	\$ 34,344.60
2018	34,344.60
2019	34,344.60
2020	20,034.35

Rental payments under operating leases for the fiscal year 2016 were \$35,238.92.

Note 14: CAPITAL DEBT

General Obligation Bonds

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

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

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

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

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

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

Fiscal Year	General Improvements		
	Principal	Interest	Total
2017	\$ 6,645,000.00	\$ 2,518,118.76	\$ 9,163,118.76
2018	6,865,000.00	2,296,568.76	9,161,568.76
2019	7,115,000.00	2,045,418.76	9,160,418.76
2020	7,410,000.00	1,753,043.76	9,163,043.76
2021	7,895,000.00	1,413,668.76	9,308,668.76
2022-2026	28,710,000.00	2,353,375.04	31,063,375.04
2027	2,380,000.00	53,550.00	2,433,550.00
	<u>\$ 67,020,000.00</u>	<u>\$ 12,433,743.84</u>	<u>\$ 79,453,743.84</u>

Note 14: CAPITAL DEBT (CONT'D)

General Obligation Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for general obligation bonds (cont'd):

<u>Fiscal Year</u>	<u>Sewer Utility Improvements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,075,000.00	\$ 487,637.50	\$ 1,562,637.50
2018	1,110,000.00	451,612.50	1,561,612.50
2019	1,150,000.00	412,087.50	1,562,087.50
2020	1,185,000.00	370,662.50	1,555,662.50
2021	1,265,000.00	322,012.50	1,587,012.50
2022-2026	5,320,000.00	858,037.50	6,178,037.50
2027-2031	3,250,000.00	333,143.78	3,583,143.78
2032	695,000.00	18,243.76	713,243.76
	<u>\$ 15,050,000.00</u>	<u>\$ 3,253,437.54</u>	<u>\$ 18,303,437.54</u>

General Debt - New Jersey Environmental Infrastructure Loans

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 312,161.04	\$ 44,672.26	\$ 356,833.30
2018	298,188.53	41,346.28	339,534.81
2019	304,283.60	37,975.47	342,259.07
2020	311,344.88	34,379.89	345,724.77
2021	304,507.85	30,660.85	335,168.70
2022-2026	1,604,263.26	91,906.96	1,696,170.22
2027-2028	447,107.75	7,100.00	454,207.75
	<u>\$ 3,581,856.91</u>	<u>\$ 288,041.71</u>	<u>\$ 3,869,898.62</u>

Note 14: CAPITAL DEBT (CONT'D)

General Debt - Camden County Improvement Authority Loan

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 315,000.00	\$ 105,367.50	\$ 420,367.50
2018	330,000.00	90,984.00	420,984.00
2019	340,000.00	76,043.00	416,043.00
2020	360,000.00	60,433.00	420,433.00
2021	375,000.00	44,042.50	419,042.50
2022-2023	800,000.00	36,126.00	836,126.00
	<u>\$ 2,520,000.00</u>	<u>\$ 412,996.00</u>	<u>\$ 2,932,996.00</u>

Township Debt Guarantee – Camden County Improvement Authority Lease Purchase Agreement

On May 1, 2001 the Township entered into a lease purchase agreement with the Camden County Improvement Authority (“CCIA”) for the construction of a new library building. The CCIA issued serial bonds dated May 1, 2002 in the amount of \$19,780,000.00 for the project. On April 13, 2007, the CCIA issued \$12,950,000.00 Revenue Refunding Bonds, with interest rates ranging from 4.0% to 5.0%, to advance refund \$12,030,000.00 of the May 1, 2002 serial bonds. The 2002 issue has been fully paid.

The Township has guaranteed the repayment of the debt and is required to make lease payments equal to amounts needed to fund the debt service requirements of the of the 2007 refunding issue. The final maturity of the lease purchase agreement is April 15, 2022.

The CCIA is a public body corporate and politic of the State of New Jersey and was created by a resolution of the County Board of Chosen Freeholders (“the County Board”). The CCIA operates under the supervision of a five member Board who are appointed for five year staggered terms by the Freeholders. In order to provide within the County, public facilities, the improvement, furtherance and promotion of tourist industries and recreational attractiveness and the planning and carrying out of redevelopment projects, the Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental or non-governmental third parties. Typically, the debt proceeds are used to finance facilities within the CCIA’s jurisdiction that are transferred to a third party by either lease or sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made directly to an independent trustee, who is appointed to service and administer the arrangement. The CCIA assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

Note 14: CAPITAL DEBT (CONT'D)

Township Debt Guarantee – Camden County Improvement Authority Lease Purchase Agreement (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the lease purchase agreement with the Camden County Improvement Authority:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,260,000.00	\$ 364,800.00	\$ 1,624,800.00
2018	1,320,000.00	301,800.00	1,621,800.00
2019	1,390,000.00	235,800.00	1,625,800.00
2020	1,445,000.00	180,200.00	1,625,200.00
2021	1,500,000.00	122,400.00	1,622,400.00
2022	1,560,000.00	62,400.00	1,622,400.00
	<u>\$ 8,475,000.00</u>	<u>\$ 1,267,400.00</u>	<u>\$ 9,742,400.00</u>

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

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 86,421,656.91	\$ 88,572,981.92	\$ 88,917,039.69
Bonds Issued by Another Public Body			
Guaranteed By the Township	8,475,000.00	9,690,000.00	10,855,000.00
Sewer Utility:			
Bonds and Notes	<u>17,844,400.00</u>	<u>19,090,000.00</u>	<u>17,150,000.00</u>
Total Issued	<u>112,741,056.91</u>	<u>117,352,981.92</u>	<u>116,922,039.69</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	22,923,273.41	15,304,485.41	15,731,773.95
Sewer Utility:			
Bonds and Notes	<u>8,101,725.00</u>	<u>5,956,125.00</u>	<u>8,956,125.00</u>
Total Authorized but not Issued	<u>31,024,998.41</u>	<u>21,260,610.41</u>	<u>24,689,737.31</u>
Total Issued and Authorized but not Issued	<u>143,766,055.32</u>	<u>138,613,592.33</u>	<u>141,611,777.00</u>

Note 14: CAPITAL DEBT (CONT'D)

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

<u>Deductions</u>	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
General:			
Reserve for Payment of Bonds/Notes	\$ 262,730.30	\$ 496,482.50	\$ 500,541.52
Bonds Issued by Another Public Body			
Guaranteed By the Township	8,475,000.00	9,690,000.00	10,855,000.00
Sewer Utility:			
Self-Liquidating	25,946,125.00	25,046,125.00	26,107,993.36
Total Deductions	<u>34,683,855.30</u>	<u>35,232,607.50</u>	<u>37,463,534.88</u>
Net Debt	<u>\$ 109,082,200.02</u>	<u>\$ 103,380,984.83</u>	<u>\$ 104,148,242.12</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.36%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 10,125,000.00	\$ 10,125,000.00	
Sewer Utility	25,946,125.00	25,946,125.00	
General	117,819,930.32	8,737,730.30	\$ 109,082,200.02
	<u>\$ 153,891,055.32</u>	<u>\$ 44,808,855.30</u>	<u>\$ 109,082,200.02</u>

Net debt \$109,082,200.02 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$8,028,238,330.67, equals 1.36%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 280,988,341.57
Less: Net Debt	<u>109,082,200.02</u>
Remaining Borrowing Power	<u>\$ 171,906,141.55</u>

Note 14: CAPITAL DEBT (CONT'D)

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$ 5,093,822.98
Deductions:		
Operating and Maintenance Costs	\$ 2,836,817.58	
Debt Service	<u>1,592,728.63</u>	
Total Deductions		<u>4,429,546.21</u>
Excess in Revenue		<u>\$ 664,276.77</u>

Note 15: CAPITAL DEBT REFUNDING

On November 24, 2015, the New Jersey Environmental Infrastructure Trust (NJEIT) issued Environmental Infrastructure Refunding Bonds, Series 2015 to refund a portion of the outstanding New Jersey Environmental Infrastructure Bonds, Series 2007A. As a result of this financing by the New Jersey Environmental Infrastructure Trust, the Township's debt service requirements for its 2007 New Jersey Environmental Infrastructure Loan was reduced by \$103,354.26, \$91,000.00 for principal and \$12,354.26 for interest. These savings will be provided to the Township through savings credits applied to the Township's debt service requirements for its 2007 NJEIT loan through August 2027.

Note 16: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method." Under this method, the Township is required to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The expense for these benefits for the fiscal years ended June 30, 2016 and June 30, 2015 was \$69,700.97 and 67,925.46, respectively.

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

Note 16: RISK MANAGEMENT (CONT'D)

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

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

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

Self-Insurance Plan - The Township maintains self-insurance fund reserves in the Trust Other Fund for worker's compensation claims and property and general liability claims. As of June 30, 2016, the reserve for Worker's Compensation was \$1,173,408.22 and the Reserve for Property Insurance was \$1,418,335.21. The estimated filed and unpaid claims as of fiscal year end were estimated at \$592,781.73 and \$176,445.21, respectively. Any funds required for claims in excess of the amounts available at June 30, 2016 will be paid and charged to fiscal year 2017 or future budgets. The fiscal year 2017 budget includes appropriations of \$950,000.00 and \$600,000.00 for the Worker's Compensation and Property Insurance Funds, respectively.

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

Commercial insurance is maintained for employee medical claims.

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

Note 17: HOUSING AND REHABILITATION LOANS RECEIVABLE

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

The amount of loans receivable due the Federal Community Development Block Grant program as of June 30, 2016 is \$1,422,066.99 and the amount of loans receivable due the Affordable Housing Trust Fund is \$56,503.00. Proceeds from the repayment of the loans are restricted to be used for Community Development Block Grant and Affordable Housing Trust Fund Housing Improvement Programs (housing rehabilitation activities).

Note 18: OPEN SPACE, DRINKING WATER RESOURCES, HISTORICAL SITES, RECREATION AREAS AND FARMLAND PRESERVATION TRUST

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

Note 19: CONTINGENCIES

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

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

Note 20: CONCENTRATIONS

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

Note 21: SUBSEQUENT EVENTS

Subsequent to June 30, 2016, the Township of Cherry Hill authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Capital Fund:		
Township Equipment, Police Department Equipment, Information Technology Equipment, Various Improvements to Parks, Recreation Sites and Buildings and Improvements to Various Municipally-owned Buildings	11/28/16	\$ 2,942,941.83
Road Improvements, Sidewalk Improvements, Traffic Signal Upgrades and Storm Drainage Improvements	11/28/16	<u>3,847,500.00</u>
Total General Capital Fund		<u>\$ 6,790,441.83</u>
Sewer Utility Capital Fund:		
Miscellaneous Sanitary Sewer Improvements	11/28/16	<u>\$ 2,000,000.00</u>

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2017

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

Dear Mayor and Council Members:

We have acted as bond counsel to the Township of Cherry Hill, in the County of Camden, New Jersey (the "Township") in connection with the issuance by the Township of \$2,510,000 General Improvement Bonds, Series 2017 (the "Bonds"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us, as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, a resolution of the Township adopted February 13, 2017 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and Bond Ordinance #2015-21, finally adopted November 23, 2015, in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding general obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

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

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

Very truly yours,