

NOTICE OF SALE
TOWNSHIP OF MAPLE SHADE, COUNTY OF BURLINGTON, NEW JERSEY

\$21,345,000* GENERAL OBLIGATION BONDS, SERIES 2019
CONSISTING OF:
\$15,345,000* GENERAL IMPROVEMENT BONDS
AND
\$6,000,000* WATER AND SEWER UTILITY BONDS
(Book-Entry-Only) (Callable)

The TOWNSHIP OF MAPLE SHADE, a municipal corporation of the State of New Jersey located in the County of Burlington, New Jersey (the "Township"), hereby invites sealed or electronic proposals for the purchase of the Township's \$21,345,000* aggregate principal amount of General Obligation Bonds, Series 2019, consisting of: \$15,345,000* principal amount of General Improvement Bonds and \$6,000,000* principal amount of Water and Sewer Utility Bonds (the "Bonds").

SEALED OR ELECTRONIC (VIA PARITY) PROPOSALS will be received by the Chief Financial Officer of the Township at Township Hall, 200 Stiles Avenue, Maple Shade, New Jersey 08052, on May 7, 2019 (the "Bid Date") until 11:00 a.m., prevailing local time, at which time they will be publicly opened and announced. The Bonds will be dated their date of delivery and will mature, subject to prior redemption, on February 15, in the years and, subject to adjustment as provided herein, in the amounts set forth below:

Year	General Improvement Bonds*	Water and Sewer Utility Bonds*	Combined Bond Total*
2020	\$750,000	\$200,000	\$950,000
2021	1,320,000	300,000	1,620,000
2022	1,350,000	300,000	1,650,000
2023	1,425,000	400,000	1,825,000
2024	1,500,000	400,000	1,900,000
2025	1,500,000	400,000	1,900,000
2026	1,500,000	400,000	1,900,000
2027	1,500,000	400,000	1,900,000
2028	1,500,000	400,000	1,900,000
2029	1,500,000	400,000	1,900,000
2030	1,500,000	400,000	1,900,000
2031		400,000	400,000
2032		400,000	400,000
2033		400,000	400,000
2034		400,000	400,000
2035		400,000	400,000

*Preliminary, subject to change as described herein.

All bidders for the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The Bonds will be issued in the

form of one certificate for each maturity of each series of the Bonds each in the aggregate principal amount of such maturity and will be payable as to both principal and interest in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of DTC, which will act as Securities Depository. The certificates will be deposited with DTC which will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchases. Individual purchases may be made in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book entries made on the books and records of DTC and its participants.

The Bonds will be dated their date of delivery, and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable semi-annually on August 15 and February 15 of each year, commencing August 15, 2019, until maturity or earlier redemption, to DTC or its authorized nominee. The DTC will credit payments of principal of and interest on the Bonds to the participants of DTC as listed on the records of DTC.

In the event (a) DTC determines not to continue to act as Securities Depository for the Bonds or (b) the Township determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Township will discontinue the book-entry system with DTC. If the Township fails to identify another qualified securities depository to replace DTC, the Township will deliver replacement bonds in the form of fully registered certificates.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and the interest thereon. The Bonds are payable, if not paid from other sources, from ad valorem taxes to be levied upon all the real property taxable within the Township without limitations as to rate or amount.

The Bonds maturing on or before February 15, 2026, are not subject to redemption prior to maturity. The Bonds of each series maturing on or after February 15, 2027, are subject to redemption prior to maturity at the option of the Township, as a whole or in part on any date on or after February 15, 2026, and if in part such maturity or maturities as decided by the Township shall be redeemed, at the redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

Each proposal submitted must name the rates or rates of interest per annum to be borne by the Bonds and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for the bonds of the same maturity. There is no limitation on the number of rates that may be named. The difference between the lowest and the highest rates named in the proposal shall not exceed three per centum (3%). The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost ("TIC"). Such TIC cost shall be computed 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. **Each proposal submitted must be for all the Bonds and the purchase price specified in the proposal must not be less than \$21,345,000 nor more than \$23,479,500.** No proposal shall be considered that offers to pay an amount less than the principal amount of the Bonds offered for sale or under which the total loan is made at a TIC higher than the lowest TIC to the Township under any legally acceptable proposal, and if two or more bidders offer to pay the lowest TIC, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The right is reserved to reject all bids and to reject any bid not complying with this Notice.

It is requested that each proposal be accompanied by a computation of the TIC to the Township under the terms of the proposal in accordance with the method of calculation described in the preceding paragraph (computed to six decimal places), but such computation is not to be considered as part of the proposal for Bonds. Determinations of TIC by the Township shall be final.

The Township may and expects to, after the receipt and opening of bids, adjust the maturity schedule of the Bonds, provided however, that (1) no maturity schedule adjustment shall exceed 10% upward or downward of the principal for any maturity as specified herein, and (ii) the aggregate adjustment to the maturity schedule shall not exceed 10% upward or downward of the aggregate principal amount of Bonds as specified herein and the aggregate principal amount of Bonds as adjusted will not exceed \$21,345,000. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. Immediately upon being notified that it is the successful bidder, the successful bidder shall provide to the Township's municipal advisor and bond counsel the initial offering prices of the Bonds to the public. Upon receipt of the initial offering prices of the Bonds to the public from the successful bidder, the bid price will be adjusted to reflect changes in the dollar amount of the underwriter's discount and the original issue premium, but will not change the per bond underwriter's discount as calculated from the bid and the initial offering prices of the Bonds to the public. The Township shall notify the successful bidder of the final maturity schedule and the resulting adjusted purchase price no later than 5:00 p.m., New Jersey time, on the day of the sale and award the Bonds. The interest rate or rates specified by the successful bidder for each maturity will not be altered.

Except as provided herein under the caption "Procedures Regarding Electronic Bidding," each proposal must be enclosed in a sealed envelope, marked on the outside "Proposal for Township G.O. Bonds" and, if mailed, addressed to or in care of the undersigned at 400 Stiles Avenue, Maple Shade, New Jersey 08052. All bids which are submitted electronically via the PARITY Electronic Bid Submission System ("PARITY") of i-Deal LLC ("i-Deal") pursuant to the procedures described below shall be deemed to constitute a "Proposal for Bonds" and shall be deemed to incorporate by reference all of the terms and conditions of this Notice of Sale. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Proposal for Bonds.

PROCEDURES REGARDING ELECTRONIC BIDDING. Bids may be submitted electronically via PARITY in accordance with this notice, until 11:00 a.m., New Jersey time, on the Bid Date, but no bid will be accepted after the time for receiving bids specified above. In

addition, bidders must ensure that the good faith deposit wire, check or financial surety bond referred to herein is submitted on the Bid Date by 11:00 a.m. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at i-Deal at 1359 Broadway, 2nd Floor, New York, NY 10010, telephone (212) 849-5021. The Township may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically via PARITY. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The Township may regard the electronic transmission of the bid through PARITY (including information about the principal amount of the Bonds, the price bid for the Bonds and any other information included in such transmission) as though the same information were submitted on the "Proposal for Bonds" provided by the Township and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the Township, the terms of the "Proposal for Bonds" and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder or Bidders shall be bound by the terms of such contract.

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

3. The Township may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m., New Jersey time, on the last business date prior to the Bid Date.

4. Once the bids are communicated electronically via PARITY to the Township as described above, each bid will constitute a 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 by hand delivery or electronically via PARITY, the time as maintained on PARITY shall constitute the official time.

5. Each Bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Township nor i-Deal shall have any duty or obligation to provide or assure access 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 from any harm or damages caused to such bidder in connection with its use of PARITY for bidding on Bonds.

The right is reserved to reject all bids and any bid not complying with the terms of this notice may be rejected.

Each bidder is required to make a good faith deposit ("Deposit") in the form of a cash wire, a certified, cashier's or treasurer's check or a financial surety bond ("Financial Surety Bond") in the amount of \$426,900, payable to the Township of Maple Shade. If a cash wire is used, the wire must be received by the Township no later than **11:00 A.M. on May 7, 2019** and each bidder must notify the Township of its intent to use such cash wire prior to **11:00 A.M.** and must provide proof of electronic transfer of such cash wire prior to **11:00 A.M., on May 7, 2019**. Wiring instructions for the Township can be obtained by contacting the Township's municipal advisor, at bmorris@muniadvisors.com or (609) 291-0130. If a check is used, the check must be a certified or cashier's or treasurer's check drawn upon a bank or trust company and must be delivered to the Township by no later than **11:00 A.M. on May 7, 2019**. Each bidder accepts responsibility for delivering such cash wire or check on time and the Township is not responsible for any cash wire or check that is not received on time. If a Financial Surety Bond is used, the same must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs and proof of such bond must be submitted to the Township no later than 5:00 P.M. on May 6, 2019, by email to bsprigman@mapleshade.com and wmayer@decotiislaw.com. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the Township unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that winning bidder shall be required to submit its Deposit to the Township by wire transfer as instructed by the Township not later than 3:30 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Township to satisfy the Deposit requirement. When the successful bidder has been ascertained, all such Deposits shall be promptly returned to the persons making the same, except the cash wire, check or Financial Surety Bond of the successful bidder which shall be applied as partial payment for the Bonds or to secure the Township from any loss resulting from the failure of the successful bidder to comply with the terms of its bid.

Award of the Bonds to the successful bidder or rejection of all bids is expected to be made promptly after opening of the bids. The successful bidder may withdraw its proposal after 5:30 P.M. on the day of such bid opening, but only if such award has not been made prior to the withdrawal.

The Bonds will be delivered through DTC on May 23, 2019, or such other date agreed to by the Township and the successful bidder. **PAYMENT FOR THE BONDS AT THE TIME OF THE CLOSING SHALL BE IN IMMEDIATELY AVAILABLE FEDERAL FUNDS.**

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

If the Bonds qualify for issuance of any policy of municipal bond insurance, the purchaser of the Bonds may, at its sole option and expense, purchase such insurance. Any failure of the Bonds to be so insured shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the successful bidder to accept delivery of and pay for the Bonds. The Township's municipal advisor shall be responsible for making the application for the assignment of CUSIP identification numbers. The CUSIP Global Services charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the successful bidder. **ONE SERIES OF CUSIP NUMBERS WILL BE ASSIGNED TO THE BONDS.**

The obligation hereunder to deliver and accept the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of: (a) the approving opinion of the law firm of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Teaneck, New Jersey, Bond Counsel, which will be furnished without cost to the successful bidder, substantially to the effect set forth in the Preliminary Official Statement referred to below; (b) certificates in form satisfactory to said law firm evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and compliance with the requirements of the Internal Revenue Code of 1986, as amended, necessary to preserve the tax exemption; (c) a certificate, in form and tenor satisfactory to said law firm and dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened affecting the validity of the Bonds; and (d) the Township's Continuing Disclosure Certificate substantially in the form described in the Preliminary Official Statement.

A Preliminary Official Statement has been prepared and may be obtained at www.govdebt.net/ or from the Township's municipal advisor. The Preliminary Official Statement is deemed to be a "final official statement," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission but is subject to (a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds and (b) amendment. The Preliminary Official Statement as so revised will constitute the "final official statement." By the submission of a bid for the Bonds, the successful bidder contracts for the receipt of a reasonable number of copies of the final Official Statement within seven business days of the award of the Bonds. In order to complete the final Official Statement, the successful bidder must furnish on behalf of the underwriter(s) of the Bonds the following information to Bond Counsel and the Township by facsimile transmission or overnight delivery received by Bond Counsel and the Township within 24 hours after the award of the Bonds: (a) initial offering prices or yields (expressed as percentages), (b) selling compensation (aggregate total, anticipated compensation to the underwriter(s) expressed in dollars), (c) the identity of the underwriters if the successful bidder is part of a group or syndicate, and (d) any other material information necessary for the final Official Statement, but not known to the Township (such as the bidder's purchase of insurance or other credit enhancement). It shall also be the obligation of the successful bidder to furnish to DTC an underwriter's questionnaire and the denominations of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds.

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the Township will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Establishment of Issue Price (10% Test to Apply if Competitive Sale Requirements are Not Satisfied)

(a) The winning bidder shall assist the Township in establishing the issue price of the Bonds and shall execute and deliver to the Township at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Schedule A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Township and Bond Counsel. All actions to be taken by the Township under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Township by the Township’s Bond Counsel identified herein and any notice or report to be provided to the Township may be provided to the Township’s Bond Counsel.

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

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

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

(c) In the event that the competitive sale requirements are not satisfied, the Township shall so advise the winning bidder. The Township shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and to each separate CUSIP number within that maturity). The winning bidder shall advise the Township if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Township will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the

initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity in the event that the competitive sale requirements are not satisfied. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.

(d) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Township the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the winning bidder's reporting obligation after the Closing date may be at reasonable periodic intervals or otherwise upon request of the Township or bond counsel.

(e) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) to report the prices at which it sells to the public the unsold Bonds allocated to it, whether or not the Closing date has occurred, until either all Bonds allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds, provided that the reporting obligation after the Closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing date has occurred, until either all Bonds allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds,

provided that the reporting obligation after the Closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter.

(f) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

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

The Township reserves the right to postpone, from time to time, the date and time established for the receipt of bids. Any such postponement shall be published on TM3 News Service, or by other available means, not less than twenty-four (24) hours prior to the sale. If any date fixed for receipt of bids and the sale of the Bonds is postponed, an alternative sale date will be announced via TM3 News Service, or by other available means, at least forty-eight (48) hours prior to such alternative date.

A Preliminary Official Statement may be obtained at www.govdebt.net/ or from the Township's Chief Financial Officer, 200 Stiles Avenue, Maple Shade, New Jersey 08052 (telephone [856/779-9610](tel:8567799610) extension: 163) (email: bsprigman@mapleshade.com) or from the Township's municipal advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue Bordentown, NJ 08505 (telephone (609) 291-0130) (email: bmorris@muniadvisors.com).

Dated: April 30, 2019

Brenda Sprigman, Chief Financial Officer
Township of Maple Shade, County of
Burlington, New Jersey

PROPOSAL FOR BONDS

May 7, 2019

Brenda Sprigman, Chief Financial Officer
 Township of Maple Shade
 200 Stiles Avenue
 Maple Shade, NJ 08052

Dear Ms. Sprigman:

Subject to the provisions of the “Notice of Sale”, which is attached hereto and considered a part of this Proposal, we will pay the sum of \$_____ for the \$21,345,000* General Obligation Bonds, Series 2019 (described in the notice), provided the Bonds bear interest at the following interest rate or rates per annum:

GENERAL OBLIGATION BONDS, SERIES 2019

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2020	\$950,000	___%	2028	\$1,900,000	___%
2021	1,620,000	___%	2029	1,900,000	___%
2022	1,650,000	___%	2030	1,900,000	___%
2023	1,825,000	___%	2031	400,000	___%
2024	1,900,000	___%	2032	400,000	___%
2025	1,900,000	___%	2033	400,000	___%
2026	1,900,000	___%	2034	400,000	___%
2027	1,900,000	___%	2035	400,000	___%

*Preliminary, subject to change as described herein.

We have provided a cash wire, a certified, cashier’s or treasurer’s check or a financial surety bond for \$426,900, payable to the order of the Township of Maple Shade, to secure the Township from any loss resulting from a failure to comply with the terms of this proposal.

 Authorized Signature

 Title

 Bidder

 Telephone Number

 Email Address

Each Bidder is requested to supply the following for informational purposes only and such information is not part of the bid:

True Interest Cost (TIC) _____%

Return of good faith check is hereby acknowledged.

Bidder

Authorized Signature

Title

SCHEDULE A

FORM OF PURCHASER'S ISSUE PRICE CERTIFICATE

May 23, 2019

Township of Maple Shade
in the County of Burlington, New Jersey

DeCotiis, FitzPatrick, Cole & Giblin, LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard, Suite 31
Teaneck, New Jersey 07666

Re: Township of Maple Shade, in the County of Burlington, New Jersey
\$ _____ General Obligation Bonds, Series 2019

Ladies & Gentlemen:

The undersigned, on behalf of the purchaser ("Purchaser") of the Township of Maple Shade, in the County of Burlington, New Jersey (the "Township") \$ _____ General Obligation Bonds, Series 2019, sold May 7, 2019, dated and issued May 23, 2019, and maturing on February 15 in the years 2020 through 2035 (inclusive), hereby certifies as follows:

[1. [Alternate 1: ***Bids Received From at Least 3 Underwriters.***] ***Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Exhibit A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Exhibit B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds. Based on the Expected Offering Prices, the aggregate offering price of the Bonds to the public is \$ _____ (face amount of _____, plus original issue premium of \$ _____).]

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.]

[1. [Alternate 2: ***Competitive Sale Requirements not satisfied - Actual sale of at least 10% of Bonds by closing.***] ***Offering Price.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Exhibit A (collectively, the "Offering Prices"). Based on the Offering Prices, the aggregate offering price of the Bonds to the public is \$ _____ (face amount of \$ _____, plus original issue premium of \$ _____).]

2. *Defined Terms.*

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

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

(c) [*Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 7, 2019.

(d) [*Underwriter* means (i) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

[REMAINDER OF PAGE INTENTIONALLY BLANK. SIGNATURE PAGE FOLLOWS.]

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

By: _____

Name: _____

Date: May 23, 2019

**NEW ISSUE
BOOK-ENTRY ONLY****Rating:** (See "RATING" herein)

In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, assuming continuing compliance by the Township of Maple Shade (the "Township") with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended ("Code"), for purposes of computing the federal alternative minimum tax. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds. Further, in the opinion of Bond Counsel, under current law, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

\$21,345,000*
TOWNSHIP OF MAPLE SHADE
COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2019
(BOOK-ENTRY ONLY) (CALLABLE)

Consisting of:
\$15,345,000* General Improvement Bonds
and
\$6,000,000* Water and Sewer Utility Bonds

DATED: Date of Delivery**DUE:** February 15, as shown on inside front cover

The \$21,345,000* aggregate principal amount of General Obligation Bonds, Series 2019, consisting of \$15,345,000* General Improvement Bonds (the "General Improvement Bonds") and \$6,000,000* Water and Sewer Utility Bonds (the "Water and Sewer Utility Bonds" and together with the General Improvement Bonds, the "Bonds") are general obligations of the Township of Maple Shade, in the County of Burlington, New Jersey (the "Township") and shall be issued in fully registered book-entry-only form without coupons. The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the principal office of the Township, as bond registrar and paying agent (the "Paying Agent"). Interest on the Bonds is payable semiannually on August 15 and February 15 ("Interest Payment Dates"), commencing August 15, 2019, in each year until maturity, or earlier redemption. The Bonds are 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 for The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein defined) of the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant to receive payment of the principal of and interest on such Bond.

The Township is issuing the Bonds pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) various bond ordinances finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution adopted by the Township Council on March 28, 2019.

The proceeds of the General Improvement Bonds, together with \$4,661 budgeted funds of the Township, will be used to: (i) refund, on a current basis, \$15,349,661 in aggregate principal amount of outstanding bond anticipation notes of the Township maturing June 27, 2019; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the General Improvement Bonds.

The proceeds of the Water and Sewer Utility Bonds will be used to: (i) refund, on a current basis, \$4,522,100 in aggregate principal amount of outstanding bond anticipation notes of the Township maturing June 27, 2019; (ii) finance various Water and Sewer Utility improvements in the amount of \$1,477,900; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Water and Sewer Utility Bonds.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest from ad valorem taxes to be levied upon all taxable real property in the Township without limitation as to rate or amount. See "SECURITY AND SOURCE OF PAYMENT" herein.

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

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Teaneck, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Township Attorney, Eileen Fahey, Esquire, Moorestown, New Jersey. Phoenix Advisors, LLC has served as Municipal Advisor to the Township in connection with the Bonds. It is expected that the Bonds will be available for delivery to DTC on or about May 23, 2019.

Bids for the Bonds, in accordance with the full Notice of Sale for the Bonds, will be received by the Township, until 11:00 am on May 7, 2019, at Township Hall, 200 Stiles Avenue, Maple Shade, New Jersey or electronically via the Parity Electronic Bid Submission System. For more details on how to bid electronically, view the Notice of Sale posted at www.govdebt.net.

*Preliminary, subject to change.

\$21,345,000*
GENERAL OBLIGATION BONDS, SERIES 2019
Consisting of:
\$15,345,000* General Improvement Bonds
\$6,000,000* Water and Sewer Utility Bonds

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year</u>	<u>General Improvement Principal Amount*</u>	<u>Water and Sewer Principal Amount*</u>	<u>Total Aggregate Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
2020	\$750,000	\$200,000	\$950,000	%	%	565335
2021	1,320,000	300,000	1,620,000			565335
2022	1,350,000	300,000	1,650,000			565335
2023	1,425,000	400,000	1,825,000			565335
2024	1,500,000	400,000	1,900,000			565335
2025	1,500,000	400,000	1,900,000			565335
2026	1,500,000	400,000	1,900,000			565335
2027	1,500,000	400,000	1,900,000			565335
2028	1,500,000	400,000	1,900,000			565335
2029	1,500,000	400,000	1,900,000			565335
2030	1,500,000	400,000	1,900,000			565335
2031		400,000	400,000			565335
2032		400,000	400,000			565335
2033		400,000	400,000			565335
2034		400,000	400,000			565335
2035		400,000	400,000			565335

*Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of 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.

**TOWNSHIP OF MAPLE SHADE
MUNICIPAL BUILDING
200 STILES AVENUE
MAPLE SHADE, NEW JERSEY 08052**

Mayor

Charles Kauffman

Township Council

Claire B. Volpe (Deputy Mayor)

Louis A. Manchello

Sandra Nunes

J. Nelson Wiest

Interim Township Manager

George Haeuber

Township Chief Financial Officer

Brenda Sprigman

Tax Collector

Christine Taylor

Township Clerk/Registrar

Andrea T. McVeigh

Township Solicitor

Eileen Fahey, Esquire

Moorestown, New Jersey

Township Auditor

Bowman & Company LLP

Voorhees, New Jersey

Bond Counsel

DeCotiis, FitzPatrick, Cole & Giblin, LLP

Teaneck, New Jersey

Municipal Advisor

Phoenix Advisors, LLC

Bordentown, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been obtained from the Township, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of 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 herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, 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 offices of the Township during normal business hours.

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.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement. If given or made, such other information or representation must not be relied upon as having been authorized by the Township or the Purchaser. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part for any other purpose.

DeCotiis, FitzPatrick, Cole & Giblin, LLP, has not participated in the preparation of the financial statements or statistical information contained in this official statement, nor has it verified the accuracy, completeness, or fairness thereof, and accordingly, express no opinion with respect thereto.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
OF THE
TOWNSHIP OF MAPLE SHADE
IN THE COUNTY OF BURLINGTON, NEW JERSEY

\$21,345,000* GENERAL OBLIGATION BONDS, SERIES 2019
Consisting of
\$15,345,000* GENERAL IMPROVEMENT BONDS
and
\$6,000,000* WATER AND SEWER UTILITY BONDS

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Township of Maple Shade (the "Township"), in the County of Burlington (the "County"), State of New Jersey (the "State"), to provide certain information in connection with the sale and issuance by the Township of its \$21,345,000* General Obligation Bonds, Series 2019, consisting of \$15,345,000* General Improvement Bonds (the "General Improvement Bonds") and \$6,000,000* Water and Sewer Utility Bonds (the "Water and Sewer Utility Bonds", and together with the General Improvement Bonds, the "Bonds"), dated the date of delivery thereof.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

THE BONDS

General Description

The Bonds will be issued in the aggregate principal amount of \$21,345,000*, will be dated their date of issuance and bear interest from that date at the rates set forth on the inside front cover page hereof. Interest on the Bonds will be payable semiannually on August 15 and February 15 ("Interest Payment Dates"), commencing on August 15, 2019, in each year until maturity, or earlier redemption. The Bonds will mature on February 15 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement. The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.

The Bonds will be issued in fully registered book-entry only form without coupons in the principal denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. The principal of the Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Bonds at the offices of the Township, as bond registrar and paying agent ("Paying Agent"). Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the Township as of the close of business on the first day of the calendar month containing each Interest Payment Date ("Record Date").

*Preliminary, subject to change.

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 by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial owners of the Bonds. 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 "THE BONDS - Book-Entry Only System" herein.

Redemption Provisions

The Bonds of each series maturing on or before February 15, 2026 are not subject to redemption prior to maturity. The Bonds of each series maturing on or after February 15, 2027 are subject to redemption prior to maturity at the option of the Township, as a whole or in part on any date on or after February 15, 2026, and if in part such maturity or maturities, or portions thereof, as decided by the Township shall be redeemed, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed plus accrued interest thereon to the date fixed for redemption.

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

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct 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 Bonds 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 series of the Bonds, in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world's largest 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 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 and www.dtc.org.

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

To facilitate subsequent transfers, all 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments 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 Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Township as Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the

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

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

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

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.

NEITHER THE TOWNSHIP NOR THE PAYING AGENT WILL 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.

Discontinuation of Book-Entry Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Bonds is discontinued upon receipt of the Bond certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive Bonds to the holders thereof, and the principal of and interest on the Bonds will be payable and the Bonds may thereafter be transferred or exchanged in the manner described in the bond certificates so provided.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized and are issued pursuant to the laws of the State, including the Local Bond Law, Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), and the various bond ordinances of the Township, as set forth below. The bond ordinances were published in full or by summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township.

The proceeds of the General Improvement Bonds, together with \$4,661 budgeted funds of the Township, will be used to: (i) refund, on a current basis, \$15,349,661 in aggregate principal amount of outstanding bond anticipation notes of the Township maturing June 27, 2019; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the General Improvement Bonds.

General Improvement Bonds

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Bonds Authorized</u>	<u>Bonds to be Issued</u>
2011-03	Road Improvements	\$233,333	\$230,000
2011-05	Various General Improvements	2,766,667	2,174,000
2012-09	Various General Improvements	2,671,428	1,921,000
2013-10	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	2,688,570	1,865,000
2014-14	Various Capital Improvements	2,335,575	1,646,000
2015-13	Various Capital Improvements	2,087,904	1,874,000
2016-07	Various Capital Improvements	2,254,350	2,254,000
2017-11	Various Capital Improvements	<u>3,381,050</u>	<u>3,381,000</u>
Total General Improvement Bonds:		<u>\$18,418,877</u>	<u>\$15,345,000</u>

The proceeds of the Water and Sewer Utility Bonds will be used to: (i) refund, on a current basis, \$4,522,100 in aggregate principal amount of outstanding bond anticipation notes of the Township maturing June 27, 2019; (ii) finance various Water and Sewer Utility improvements in the amount of \$1,477,900; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Water and Sewer Utility Bonds.

Water and Sewer Utility Bonds

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Bonds Authorized</u>	<u>Bonds to be Issued</u>
2011-04	Various Water and Sewer Utility Improvements	\$2,013,048	\$624,700
2011-06	Various Water and Sewer Utility Improvements	580,952	572,600
2012-10	Various Water and Sewer Utility Improvements	2,000,000	27,800
2013-11	Various Water and Sewer Utility Improvements	2,000,000	1,297,000
2016-08	Various Water and Sewer Utility Improvements	2,020,000	2,000,000
2017-12	Various Water and Sewer Utility Improvements	2,265,750	1,477,900
Sub-Total:		<u>\$10,879,750</u>	<u>\$6,000,000</u>
Total Water and Sewer Utility Bonds:		<u>\$10,879,750</u>	<u>\$6,000,000</u>
Grand Total Bonds:		<u>\$29,298,627</u>	<u>\$21,345,000</u>

SECURITY AND SOURCE OF PAYMENT

The Bonds are 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 Bonds are direct obligations of the Township and, to the extent that other monies are not available, 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 interest on the Bonds without limitation as to rate or amount.

NO DEFAULT

The Township has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the Township's indebtedness past due.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

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 municipal 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 to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized. All bonds and notes issued by the Township are general full faith and credit obligations.

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. An annual, independent audit of the local unit's accounts for the previous year must be performed 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 Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The chief financial officer of every local unit must file annually with the Director a verified statement of financial condition of the local unit and all constituent boards, agencies or commissions.

The annual audit report is filed with the Township Clerk and is available for review during business hours.

Debt Limits

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Exceptions to Debt Limits-Extensions of Credit

The debt limit of the Township may be exceeded with the approval of the Local Finance Board, in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency (the "Board"). If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Township to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Board to fund certain bonds and notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

The Township may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are general obligations of the Township, may be issued for a period not exceeding one year. Generally, bond anticipation notes may not be outstanding longer than 10 years. Additionally, beginning in the third year, the amount of outstanding notes that may be renewed is decreased by not less than the minimum amount required for the first year principal payment of bonds in anticipation of which such notes are issued.

School Debt Subject to Voter Approval

State Law permits the school district, upon approval of the voters, to authorize school district debt, including, debt in excess of its independent debt limit by using the available borrowing capacity of the Township. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Township is required to have a balanced budget in which debt service is included in full for each fiscal year.

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. The Township must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

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. Local budgets, by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of Township revenues are real estate taxes and miscellaneous revenues.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes, are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty (120) days after the close of the fiscal year.

Real Estate Taxes

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

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

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

Levy Required to Balance Budget

Prior Year's Percentage of Current
Tax Collections (or lesser %)

Miscellaneous Revenues

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

Limitations on Municipal Appropriations and Tax Levy

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 "cost-of-living adjustment". The cost-of-living adjustment 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 cost-of-living adjustment 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 cost-of-living adjustment is 2.5% or less.

Additionally, P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for capital expenditures, including debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

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.

Deferral of Current Expense

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation of real property, codification of ordinances, master plan preparations and contractually required severance liabilities, which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although sub-accounts within an

appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval by the governing body.

Fiscal Year

The Township's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of New Jersey required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption is granted. Municipalities not meeting the criteria for a mandatory change have the option to choose to change to the State fiscal year. The Township did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Township's budget process lies with the Township Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Township operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Township may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

TAX MATTERS

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Internal Revenue Code of 1986, as amended ("Code"). Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, to be delivered at the time of original issuance of the Bonds, assuming continuing compliance by the Township with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax. No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the Bonds.

The Code imposes certain significant ongoing requirements that must be met after the issuance and delivery of the Bonds in order to assure that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the Bonds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The Township has covenanted that it shall do and perform all acts permitted by law that are necessary or desirable to assure that interest on the Bonds will be and will remain excluded from gross income for federal income tax purposes. The Township will deliver its Arbitrage and Tax Certificate concurrently with the issuance of the Bonds, which will contain provisions relating to compliance with the requirements of the Code, including certain covenants in that regard by the Township. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Township in connection with the Bonds, and Bond Counsel has assumed compliance by the Township with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

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

The opinions of Bond Counsel are limited to and based upon the laws and judicial decisions of the State and the federal laws and judicial decisions of the United States of America as of the date of the opinions, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for their opinions or to any laws or judicial decisions hereafter enacted or rendered. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken after the date of the opinions or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

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 the financial institutions to purchase or to carry tax exempt obligations.

Branch Profits Tax. Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation for purposes of the branch profits tax.

S Corporation Tax. Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt obligations, such as the Bonds, held by an S corporation would be included in the calculation of excess net passive income.

Other Federal Tax Consequences. Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt obligations. Owners of the Bonds should consult their own tax advisors as to the applicability and the effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on S corporations, as well as the applicability and the effect of any other federal income tax consequences.

Possible Government Action. Legislation affecting municipal obligations is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt obligations. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the tax-exempt status or market price of the Bonds.

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

LITIGATION

To the knowledge of the Township Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Bonds, 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 the taxes, affecting the validity of the Bonds or 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 of the Township to their respective offices.

Additionally, there is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Township is a party-defendant in certain law suits, none of a kind unusual for a Township of its size, and none of which, in the opinion of the Township Attorney, would adversely impair the Township's ability to pay its Bondholders. All of the Township's tort actions are being defended

by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number. The Township would fund the ultimate liability arising from tax appeals from amounts currently reserved, succeeding years' budgets or fund balance. Such resolution would not in any way endanger the Township's ability to pay its Bondholders.

THE FEDERAL BANKRUPTCY ACT

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 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditor's rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of the State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. 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. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, sale, issuance and delivery of the Bonds are subject to the approval of DeCotiis, FitzPatrick, Cole & Gibling, LLP, Teaneck, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be substantially in the form provided in Appendix C. Certain legal matters will be passed on for the Township by its Counsel, Eileen Fahey, Esq., Moorestown, New Jersey.

CONTINUING DISCLOSURE

The Township has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Township by no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2019 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of material events will be provided to the Municipal Securities Rulemaking Board (the "MSRB") and will be in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in

“APPENDIX D – Form of Continuing Disclosure Certificate.” These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5)(the “Rule”).

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, the 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.

Within the five years immediately preceding the date of this Official Statement, the Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, operating data for the fiscal year ended December 31, 2016. Additionally, the Township previously failed to file late filing notices in connection with its untimely filings of operating data, as described above. Such notices of late filings have since been filed with the MSRB’s Electronic Municipal Market Access Dataport (“EMMA”). The Township appointed Phoenix Advisors, LLC in January of 2019 to serve as continuing disclosure agent.

MUNICIPAL ADVISOR

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

FINANCIAL STATEMENTS

An Excerpt of the Compiled Financial Statements of the Township for the year ended December 31, 2018 and an excerpt of the Report of Audit of financial statements of the Township for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 is included in Appendix B to this Official Statement. The financial statements of the Township for the years 2013 through and including 2017 have been audited by Bowman & Company LLP, Voorhees, New Jersey, independent certified public accountants, as stated in their report appearing in Appendix B to this Official Statement.

RATING

S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC ("Rating Agency"), has assigned its rating of “AA-” to the Bonds based upon the credit worthiness of the Township, at the time of delivery of the Bonds.

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 forwarded 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 the rating 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.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, _____, _____, as underwriter ("Underwriter"), at a purchase price of \$ _____. The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields set forth on the inside front cover of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchaser of the Bonds, by certificate signed by the Chief Financial Officer, that to her knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

DeCotiis, FitzPatrick, Cole & Giblin, LLP, Teaneck, New Jersey has not participated in the preparation of the financial or statistical information contained in this official statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement including information additional to that contained herein may be directed to Brenda Sprigman, Chief Financial Officer, Township of Maple Shade, 200 Stiles Avenue, Maple Shade, New Jersey, 08052-0368, telephone (856) 779-9610, or to the Township's Municipal Advisor, Phoenix Advisors, LLC, at (609) 291-0130.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the 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 is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Township, the County, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the Township by the Chief Financial Officer.

TOWNSHIP OF MAPLE SHADE

By: _____
Brenda Sprigman
Chief Financial Officer

Dated: May __, 2019

APPENDIX A

**ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING
TO THE TOWNSHIP OF MAPLE SHADE, IN THE COUNTY OF BURLINGTON, NEW JERSEY**

GENERAL INFORMATION ON THE TOWNSHIP

General Information

For much of its history, the Township of Maple Shade ("Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the year, portions of what was once Chester Township have "spun off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey ("County"), approximately ten miles from center-city Philadelphia. Route I-295 and the New Jersey Turnpike have interchanges immediately east of the Township, while Routes 73 and 38 are within the Township and offer direct access to Camden and Philadelphia.

Maple Shade is primarily a residential community with a small number of industries and the usual businesses. The area of the Township is 3.72 square miles.

Form of Government

The Township is governed by a Council of five (5) elected members who designate a Mayor and a Deputy Mayor from their number. Administrative responsibilities are assigned to a Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

Planning and Development

The Township utilizes a professional planner who prepares and updates the Township master plan. On an annual basis, the Township adopts a six year (6) capital budget which includes capital equipment and necessary infrastructure improvements for the Township.

Police and Fire Protection

The Township maintains a police force consisting of a Chief, Lieutenants, Sergeants and police officers, headquartered at the Municipal Complex. Fire protection is provided by a volunteer fire company with modern equipment, including several pumpers, a tower ladder truck and a walk-in rescue truck.

Public Works

The Township is served by municipally owned water and sewer systems. Operations and maintenance of the water and sewer utility is contracted to Woodard & Curran Inc..

The two (2) water treatment plants have been rebuilt, four (4) wells put on line, and an interconnection made between the two (2) plants, so the entire Township can be served by one (1) plant, if necessary. With this capability and a storage capacity of 1,250,000 gallons, the area is believed to be well served. However, it is estimated that in the foreseeable future, additional facilities may be needed.

The present sewer treatment facilities have been renovated and were operational on July 17, 1990. This single state-of-the-art treatment plant was built to handle 3.4 million gallons per day. A new filtration system was on-line on May 1, 1991. A long-imposed treatment ban was then lifted.

Township officials accomplished upgrade of the treatment facilities rapidly and cost efficiently.

Rubbish and garbage disposal is by contract with an independent operator, and taken to a County operated landfill.

Library

The library, which is operated by the County, is a spacious new facility and is located in the lower level of the Township’s Municipal Complex.

Transportation

The Township is served by the high speed rail line of the Delaware River Port Authority and by Public Service bus transportation facilities. There is also ready access to the New Jersey Turnpike.

Recreation

The Township operates five (5) park areas. The parks are equipped with playground equipment, and there are baseball fields and basketball courts. Also, the Township sponsors leagues for softball, football, basketball, soccer and baseball. The Township has a new soccer field, two new baseball fields and a new street hockey court. It has installed lighting for several of its basketball courts and increased lighting and the football field. Much of this work is done through community volunteers. Indoor facilities at the Municipal Complex provide for recreational activities for all ages year round. The Township has a Senior Citizens Center, a Youth Center and an all-purpose recreation room.

Medical Services

The Township is fortunate in the availability of doctors and medical services. Public health service is provided under a contract with the Moorestown Visiting Nurse Association. There are two (2) convalescent and nursing homes located in the Township. A volunteer first aid squad, with modern equipment, serves the community. Cherry Hill Hospital is approximately one (1) mile from the Township.

Township Employees

	<u>2018</u>	<u>2017</u>	<u>December 31,</u> <u>2016</u>	<u>2015</u>	<u>2014</u>
Permanent	66	66	66	67	67
Part-time	<u>42</u>	<u>43</u>	<u>45</u>	<u>44</u>	<u>44</u>
Total	<u>108</u>	<u>109</u>	<u>111</u>	<u>111</u>	<u>111</u>

Employee Collective Bargaining Units

<u>Collective Bargaining Units</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
PBA Local 267	35	Dec. 31, 2022
Teamsters Local Union 676	10	Dec. 31, 2018 *

* Currently in negotiations

Compensated Absences

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and

PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts. For additional information regarding compensated absences, see Appendix B: December 31, 2017 Audited Financial Statements, Note 10.

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of three pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, see Appendix B: December 31, 2017 Audited Financial Statements, Note 8.

Township Population (1)

2010 Federal Census	19,131
2000 Federal Census	19,079
1990 Federal Census	19,211
1980 Federal Census	20,525
1970 Federal Census	16,464

Selected Census 2017 Data for the Township(1)

Median household income	\$57,460
Median family income	\$73,701
Per capita income	\$32,023

Township Labor Force (2)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township	10,858	10,794	10,806	10,769	10,977
Labor Force	10,397	10,318	10,233	10,042	10,086
Employment	461	476	573	727	891
Unemployment	4.2%	4.4%	5.3%	6.8%	8.1%
Unemployment Rate					
County					
Labor Force	234,179	233,255	232,623	230,681	234,288
Employment	224,582	222,869	220,189	215,869	216,371
Unemployment	9,597	10,386	12,434	14,812	17,917
Unemployment Rate	4.1%	4.5%	5.3%	6.4%	7.6%
State					
Labor Force	4,518,800	4,530,800	4,537,200	4,527,200	4,548,600
Employment	4,309,700	4,305,500	4,274,700	4,221,300	4,173,800
Unemployment	209,100	225,300	262,500	305,900	374,700
Unemployment Rate	4.6%	5.0%	5.8%	6.8%	8.2%

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

(2) Source: New Jersey Department of Labor

LARGEST COUNTY PRIVATE EMPLOYERS(1)

Virtua Memorial Hospital	5,473
TD Bank	5,000
Lockheed Martin	3,943
Burlington Stores (Coat Factory)	3,018
Freedom Mortgage	1,590
CVS Corporation	1,575
Amazon Florence	1,500
Automotive Resources International (ARI)	1,277
Deborah Heart and Lung Center	1,195
Viking Yacht Co. Corp.	1,113
Wawa	1,100
B&H Photo	1,100

Building, Zoning and Development Codes

Much of the Township has been developed for residential use, although substantial sites have been developed or are available for nonresidential use.

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code in New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

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

Building Permits Issued (2)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2018	542	\$7,045,766
2017	646	11,300,624
2016	669	14,004,111
2015	606	21,408,695
2014	661	12,350,014

GENERAL INFORMATION ON THE SCHOOL DISTRICT(2)

Primary and Secondary Education

The School District is a Type II school district that is coterminous with the borders of the Township. The School District provides a full range of educational services appropriate to Pre-K through grade twelve (12).

(1) Source: Burlington County Bridge Commission Department of Economic Development and Regional Planning – 2019.

(2) Source: Township Construction Official

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

**TOWNSHIP OF MAPLE SHADE SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)**

<u>Grade</u>	<u>2018</u>	<u>2017</u>	<u>October 15, 2016</u>	<u>2015</u>	<u>2014</u>
Pre-School 3 Yr. (1/2 day)	1	3	--	--	--
Pre-School 4 Yr. (1/2 day)	6	4	--	--	--
K (Full day)	172	158	168	162	173
1	153	155	164	159	207
2	148	146	137	177	176
3	143	133	163	154	148
4	129	154	142	133	145
5	159	138	135	138	155
6	141	133	134	138	131
7	130	136	145	125	128
8	130	128	125	121	129
9	119	121	107	125	106
10	108	103	108	102	101
11	100	105	94	100	110
12	107	97	103	114	102
Special Education	<u>445</u>	<u>442</u>	<u>431</u>	<u>431</u>	<u>419</u>
Totals	<u>2,191</u>	<u>2,156</u>	<u>2,156</u>	<u>2,179</u>	<u>2,230</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment</u>	
			<u>Oct. 15, 2018</u>	<u>Functional Capacity</u>
Howard R. Yocum School	1959	K to 2	556	1,274
Maude M. Wilkins School	1926	Pre-3 to 4	406	0
Ralph J. Steinhauer School	1953	5 to 6	371	592
Maple Shade High School	1972	7 to 12	<u>858</u>	<u>675</u>
Totals			<u>2,191</u>	<u>2,541</u>

(1) Source: School District officials

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) ("RCBC" or the "County College") is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Freeholder Board sponsors the College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the "3+1" program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. All of the academic programs have been moved to Mount Laurel, leaving only athletics and aquatic classes in Pemberton. An athletic facility is in the plans for Mount Laurel. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center - a 78,000 square foot, \$25.4 million state-of-the-art building that will feature a one-stop shop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building will serve as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2018 enrollment in academic courses was 8,890 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 1,972 students as of June 30, 2018.

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

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2017-18 academic year is 607 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

The ten largest commercial taxpayers in the Township and their 2019 assessed valuation are listed below:

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2019 Assessed Valuation
Deerfield Assoc.	Fox Meadow Apartments	\$88,361,200
Maplewood III, LLC	Park Crossing Apartments	51,900,000
Robert Mills Apt.	Robert Mills Apartments	29,141,700
Stoney RA, LLC	Stoney Run Apartments	24,500,000
Holman Enterprises & Holman Automotive Group	Auto Dealership	19,039,260
GBR MS LLC/Blue Saber Prop.	Shopping Ctr., Lowes, etc.	16,250,000
Davis Enterprises	Apartments & Commercial	14,944,200
Pickwick Apartments, LLC & Pickwick Village III, LP	Pickwick Apartments	14,830,400
AFABJ LLC	BJ’s Warehouse	9,713,400
Americo Real Estate Co.	Strip Centers	9,300,000

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Tax Levy</u>	<u>Current Collection</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2018 (2)	\$44,215,438	\$43,420,822	98.20%	\$634,626	1.44%
2017	43,589,927	42,878,031	98.37%	644,299	1.48%
2016	42,878,427	41,999,809	97.95%	619,473	1.44%
2015	42,160,432	41,321,139	98.01%	558,171	1.32%
2014	40,937,995	39,974,050	97.65%	623,738	1.52%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transfer to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2018 (2)	\$648,897	\$5,250	\$506,483	77.43%	\$2,959	\$144,598	\$108
2017	655,021	4,122	650,834	98.74%	-	3,711	4,598
2016	563,936	5,169	532,768	93.62%	789	-	35,548
2015	637,246	3,750	584,090	91.12%	3,433	47,708	5,765
2014	664,965	7,866	642,420	95.48%	894	16,008	13,509

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Other Credits</u>	<u>Balance Dec. 31</u>
		<u>Sale & Transfers</u>	<u>Collections & Transfers</u>		
2018 (2)	\$150,337	\$25,851	\$5,223	-	\$170,964
2017	144,782	18,054	-	\$12,499	150,337
2016	132,080	21,113	-	8,411	144,782
2015	109,060	23,020	-	-	132,080
2014	94,996	14,064	-	-	109,060

(1) Source: Township Reports of Audit, unless otherwise noted

(2) Information from Annual Compiled Financial Statement

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Property Dedicated to Township Use</u>		<u>Adjustment to Assessed Balance</u>	
		<u>Use</u>	<u>Canceled</u>	<u>Valuation</u>	<u>Dec. 31</u>
2018 (3)	\$36,649	-	-	-	\$36,649
2017	36,649	-	-	-	36,649
2016	36,649	-	-	-	36,649
2015	36,649	-	-	-	36,649
2014	36,649	-	-	-	36,649

CURRENT WATER/SEWER COLLECTIONS (1)

<u>Year</u>	<u>Beginning Balance</u>		<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
	<u>Total Levy</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
2018 (3)	\$758,924	\$7,868,288	\$7,886,145	91.41%	\$740,267	8.58%
2017	741,084	7,533,961	7,516,122	90.83%	758,924	9.17%
2016	633,266	7,370,191	7,262,373	90.74%	741,084	9.26%
2015	723,724	7,432,768	7,520,948	92.21%	633,266	7.76%
2014	503,511	7,446,352	7,226,139	90.90%	723,724	9.10%

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (4)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (5)</u>			
		<u>Total</u>	<u>County</u>	<u>Local School</u>	<u>Municipal</u>
2019	\$1,286,805,055	N/A	N/A	N/A	N/A
2018	1,291,463,846	\$3.412	\$0.439	\$2.092	\$0.881
2017	1,280,210,634	3.372	0.415	2.076	0.881
2016	1,286,500,032	3.322	0.443	2.018	0.861
2015	1,294,374,032	3.250	0.457	1.932	0.861

- (1) Source: Township Reports of Audit, unless otherwise noted
 (2) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.
 (3) Information from Annual Compiled Financial Statement
 (4) Source: Township Tax Collector
 (5) Per \$100 of assessed valuation

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (1)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value Per Capita (2)</u>
2019	\$1,286,804,960	94.79%	\$1,357,532,398	\$70,960
2018	1,287,575,875	94.79%	1,358,345,685	71,002
2017	1,276,153,880	91.49%	1,394,856,137	72,911
2016	1,282,778,800	97.11%	1,320,954,382	69,048
2015	1,290,629,800	91.14%	1,416,095,896	74,021

REAL PROPERTY CLASSIFICATION (3)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2019	\$1,286,804,960	\$6,338,150	\$748,589,690	\$276,974,820	\$17,814,200	\$237,088,100	-
2018	1,287,574,875	7,454,150	747,848,330	276,439,095	18,745,200	237,088,100	-
2017	1,276,153,880	12,167,550	743,825,230	264,341,800	18,731,200	237,088,100	-
2016	1,282,778,800	13,444,200	743,120,700	266,723,900	18,426,200	241,063,800	-
2015	1,290,629,800	12,450,700	740,620,500	276,170,400	18,426,200	242,962,000	-

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

(2) Based on Federal Census 2010 of 19,131

(3) Source: Township Tax Assessor

**TOWNSHIP OF MAPLE SHADE
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2018**

The following table summarizes the direct debt of the Township of Maple Shade as of December 31, 2018 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et. seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water/Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include local school debt, debt considered to be self-liquidating and cash held for the payment of debt. The resulting net debt of \$32,557,647 represents 2.40% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds	Notes	Loans			School Debt	Self Liquidating	Reserve for Pmt. of Debt	
General	\$6,107,000	\$15,349,661	\$382,026	\$2,384,230	\$24,222,917			\$54,000	\$24,168,917
Local School District	12,930,000			49,780,812	62,710,812	\$54,322,083			8,388,729
Water/Sewer Utility	7,429,000	4,522,100	12,828,238	6,860,065	31,639,403		\$31,639,403		
	<u>\$26,466,000</u>	<u>\$19,871,761</u>	<u>\$13,210,264</u>	<u>\$59,025,107</u>	<u>\$118,573,132</u>	<u>\$54,322,083</u>	<u>\$31,639,403</u>	<u>\$54,000</u>	<u>\$32,557,647</u>

Source: Township Auditor

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2016, 2017 and 2018	\$ 1,358,052,068
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2016, 2017 and 2018	2.40%
2018 Net Valuation Taxable	\$ 1,291,463,846
2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 1,362,233,656
Gross Debt (1):	
As a percentage of 2018 Net Valuation Taxable	9.18%
As a percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	8.70%
Net Debt (1):	
As a percentage of 2018 Net Valuation Taxable	2.52%
As a percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.39%
Gross Debt Per Capita (2)	\$ 6,198
Net Debt Per Capita (2)	\$ 1,702

(1) Excluding overlapping debt

(2) Based on 2010 Federal Census of 19,131

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2016-2018) Equalized Valuation of Real Property including Improvements (\$1,358,052,068)	\$ 47,531,822
Net Debt (A)	<u>32,557,647</u>
Remaining Borrowing Capacity	<u>\$ 14,974,176</u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)

4% of Averaged (2016-2018) Equalized Valuation of Real Property including Improvements (\$1,358,052,068)	\$ 54,322,083
School Debt	<u>62,710,812</u>
Remaining Borrowing Capacity (A)	<u>\$ (8,388,729)</u>

(A) As reported on the Statement of Indebtedness, the Local Board of Education has authorized \$8,388,729 in bonds in excess of its allowable statutory net school debt, thereby utilizing \$8,388,729 of the Township's borrowing capacity.

(1) As of December 31, 2018

**TOWNSHIP OF MAPLE SHADE
OVERLAPPING DEBT
AS OF DECEMBER 31, 2018**

	DEBT ISSUED					Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>		
County of Burlington:						
General						
Bonds	\$ 184,476,000	\$ 22,040,827	(1) \$ 162,435,173	\$ 4,856,812	(2)	
Notes	63,165,000		63,165,000	1,888,634	(2)	\$ 23,625,813
Loans	4,232,328		4,232,328	126,547	(2)	
Bonds Issued by Other Public Bodies						
Guaranteed by the County	353,917,000	353,917,000	(3)			
Solid Waste Utility	49,810,000	49,810,000				3,209,310
	<u>\$ 655,600,328</u>	<u>\$ 425,767,827</u>	<u>\$ 229,832,501</u>	<u>\$ 6,871,992</u>		<u>\$ 26,835,123</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
(2) Such debt is allocated as a proportion of the Issuer's share of the total 2018 Net Valuations on which County taxes are apportioned, which is 2.99% .
(3) Deductible in accordance with N.J.S. 40:37A-80.

**SCHEDULE OF TOWNSHIP DEBT SERVICE
PERMANENT DEBT ONLY
AS OF DECEMBER 31, 2018**

Year	General			Water/Sewer			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2019	\$1,853,240	\$277,340	\$2,130,580	\$1,925,394	\$583,221	\$2,508,616	\$4,639,196
2020	1,935,787	177,312	2,113,100	1,965,902	519,171	2,485,074	4,598,173
2021	1,192,346	121,614	1,313,960	1,995,728	467,056	2,462,784	3,776,744
2022	1,237,916	65,134	1,303,050	2,061,143	405,076	2,466,219	3,769,269
2023	29,497	5,248	34,745	1,789,285	338,676	2,127,961	2,162,706
2024	30,090	4,655	34,745	1,774,805	283,756	2,058,562	2,093,307
2025	30,695	4,050	34,745	1,688,345	229,120	1,917,465	1,952,210
2026	31,312	3,433	34,745	1,724,177	171,590	1,895,767	1,930,512
2027	24,107	2,804	26,911	1,408,482	123,973	1,532,455	1,559,366
2028	16,679	2,398	19,077	778,162	83,708	861,869	880,947
2029	17,015	2,063	19,077	805,183	62,855	868,038	887,115
2030	17,357	1,721	19,077	800,777	40,040	840,817	859,894
2031	17,706	1,372	19,077	346,421	16,525	362,946	382,024
2032	18,061	1,016	19,077	316,421	12,550	328,971	348,049
2033	18,425	653	19,077	326,422	9,475	335,897	354,974
2034	18,795	282	19,077	222,124	6,006	228,130	247,207
2035				117,124	3,669	120,792	120,792
2036				117,124	2,531	119,655	119,655
2037				94,220	1,350	95,570	95,570
	<u>\$6,489,026</u>	<u>\$671,095</u>	<u>\$7,160,121</u>	<u>\$20,257,238</u>	<u>\$3,360,349</u>	<u>\$23,617,587</u>	<u>\$30,777,708</u>

Source: Township Auditor

**TOWNSHIP OF MAPLE SHADE
2019 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$ 2,421,000
Miscellaneous Revenues:	
Local Revenues	578,000
State Aid Without Offsetting Appropriations	1,709,652
Uniform Construction Code Fees	150,000
Shared Service Agreements	80,000
Public and Private Revenues	30,806
Other Special Items	46,500
Receipts from Delinquent Taxes	550,000
Amount to be Raised by Taxation for Municipal Purpose	<u>11,596,953</u>
 Total Anticipated Revenues	 <u><u>\$ 17,162,911</u></u>

Appropriations:

Within "CAPS":	
Operations	\$ 12,789,783
Excluded from "CAPS":	
Other Operations	20,000
Shared Service Agreements	80,000
Public and Private Programs Off-Set by Revenues	34,828
Capital Improvements	180,000
Debt Service	2,883,299
Reserve for Uncollected Taxes	<u>1,175,001</u>
 Total Appropriations	 <u><u>\$ 17,162,911</u></u>

WATER/SEWER UTILITY FUND

Anticipated Revenues:

Operating Surplus Anticipated	\$ 960,000
Rents	7,610,018
Miscellaneous	<u>75,000</u>
 Total Anticipated Revenues	 <u><u>\$ 8,645,018</u></u>

Appropriations:

Operating	\$ 5,868,618
Capital Improvements	50,000
Debt Service	2,698,400
Deferred Charges and Statutory Expenditures	<u>28,000</u>
 Total Appropriations	 <u><u>\$ 8,645,018</u></u>

(1) Budget as Introduced March 14, 2019

**TOWNSHIP OF MAPLE SHADE
CAPITAL PROGRAM 2019-2024 (1)**

<u>Project Title</u>	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Bonds and Notes</u>	
			<u>General</u>	<u>Self- Liquidating</u>
General Improvements:				
FACILITIES:				
Municipal Complex Improvements and Other Facility Renovations	\$ 250,000	\$ 12,500	\$ 237,500	
HVAC Repair -18' Senior - 19' Rec. Center	415,000	20,750	394,250	
Municipal Building 3rd Floor Repairs - New Floor	300,000	15,000	285,000	
PUBLIC WORKS DEPT:				
Front End Loader	180,000	9,000	171,000	
STORM DRAINAGE:				
Improvements -- Storm Drainage System	750,000	37,500	712,500	
Inlet Repairs	300,000	15,000	285,000	
ROAD IMPROVEMENTS:				
Road Repair and Resurfacing	2,500,000	125,000	2,375,000	
Martin Avenue - S. Coles to Center	450,000	22,500	427,500	
Collins Lane - N. Coles to Roland	480,000	24,000	456,000	
N. Coles - Collins to Lanci	1,400,000	70,000	1,330,000	
S. Maple - Mill to Gradwell	610,000	30,500	579,500	
PUBLIC SAFETY:				
Fire:				
Equipment and Various Improvements	50,000	2,500	47,500	
First Aid:				
Building Improvements	90,000	4,500	85,500	
Police:				
4 Sports Utility Vehicles	835,552	41,778	793,774	
Technology Upgrades	27,155	1,358	25,797	
RECREATION & PUBLIC PROJECTS:				
Recreation:				
Unrestricted for Miscellaneous Repairs	250,000	12,500	237,500	
<hr/>				
Total General Improvements	8,887,707	444,385	8,443,322	-
<hr/>				
Water/Sewer Utility Improvements:				
SANITARY SEWER:				
Pump Station Replacement	300,000	15,000	\$ 285,000	
WWTP Digester Tank Upgrades	250,000	12,500	237,500	
WWTP Security Improvements	80,000	4,000	76,000	
WWTP Building Improvements	140,000	7,000	133,000	
Sewer System Improvements	180,000	9,000	171,000	
WATER:				
Inspection of Water Storage Tank	10,000	500	9,500	
Main Street Plant Lime System Upgrades	300,000	15,000	285,000	
Hydrant Replacement Program (10)	155,000	7,750	147,250	
Water Main Cleaning and Replacement Project	485,000	24,250	460,750	
<hr/>				
Total Water/Sewer Utility Improvements	1,900,000	95,000	-	1,805,000
<hr/>				
Total All Projects	\$ 10,787,707	\$ 539,385	\$ 8,443,322	\$ 1,805,000

(1) Budget as Introduced March 14, 2019

APPENDIX B

**FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAPLE SHADE,
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

FOR THE YEAR ENDED 2018
COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Council
Township of Maple Shade
Maple Shade, New Jersey 08052

Management is responsible for the accompanying financial statements of the Township of Maple Shade, in the County of Burlington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2018 and the related statements of operations and changes in fund balances-- regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Respectfully submitted,

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

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

Voorhees, New Jersey
January 27, 2019

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2018

ASSETS

Cash	\$ 10,991,526
Federal and State Grants Receivable	757,115
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	634,734
Tax Title Liens Receivable	170,964
Property Acquired for Taxes--Assessed Valuation	36,650
Other Accounts Receivable	407
Interfunds Receivable	152,073
Total Assets	\$ 12,743,468

**LIABILITIES, RESERVES
AND FUND BALANCE**

Liabilities:	
Appropriation Reserves	\$ 2,303,604
Reserve for Encumbrances	268,177
Reserve for Federal and State Grants	434,440
Due to State of New Jersey:	
Veterans and Senior Deductions	44,619
Licenses and Fees	4,538
Prepaid Taxes	461,508
Tax Overpayments	13,001
Due County For Added and Omitted Taxes	17,788
Accounts Payable	26,278
Local District School Tax Payable	13,130
Reserve for Tax Appeals	203,248
Reserve for Revaluation	166,178
Interfunds Payable	104,250
Prepaid Revenues	5,290
Reserve for Expense of Participation In Free County Library with State Aid	375
Total Liabilities	4,066,425
Reserve for Receivables and Other Assets	994,827
Fund Balance	7,682,216
Total Liabilities, Reserves and Fund Balance	\$ 12,743,468

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2018

Revenue and Other
Income Realized

Revenue Realized:	
Receipts from Current Taxes	\$ 43,420,822
Receipts from Delinquent Taxes	511,706
	43,932,528
Total Taxes	43,932,528
Miscellaneous Revenue Anticipated	3,325,943
Other Income	2,453,460
Fund Balance Utilized	2,404,000
	2,404,000
Total Income	52,115,931

Expenditures

Budget Appropriations:	
Operating	11,405,120
Capital Improvements	692,000
Debt Service	2,905,552
Deferred Charges	120,203
Pension and Social Security	1,319,950
County Taxes	5,671,378
Local District School Tax	26,799,857
Other Expenditures	6,212
Creation of Reserve for Interfunds	118,818
	118,818

Total Expenditures	49,039,088
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Excess In Revenue	3,076,843
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Fund Balance

Balance January 1	7,009,373
	10,086,216
Decreased by:	
Utilized as Revenue	2,404,000
	2,404,000
Balance December 31	\$ 7,682,216

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
TRUST FUND
Statement of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2018

ASSETS

Cash	\$ 1,951,347
Interfunds Receivable	927
Other Accounts Receivable	29,550
Deferred Charges	<u>13,366</u>
 Total Assets	 <u><u>\$ 1,995,190</u></u>

LIABILITIES AND RESERVES

Accounts Payable	\$ 983,742
Interfunds Payable	16,034
Reserve for Special Funds	<u>995,414</u>
 Total Liabilities and Reserves	 <u><u>\$ 1,995,190</u></u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis
As of December 31, 2018

ASSETS

Cash	\$ 2,262,912
Deferred Charges to Future Taxation:	
Funded	6,489,026
Unfunded	17,733,891
	<u>17,733,891</u>
Total Assets	<u><u>\$ 26,485,830</u></u>

**LIABILITIES, RESERVES
AND FUND BALANCE**

Serial Bonds Payable	\$ 6,107,000
Loans Payable	382,026
Bond Anticipation Notes	15,349,661
Reserve for Payment of Bonds and Notes	54,000
Contracts Payable	1,838,407
Capital Improvement Fund	87,914
Improvement Authorizations:	
Funded	108,330
Unfunded	2,222,178
Interfunds Payable	13,481
Fund Balance	322,832
	<u>322,832</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 26,485,830</u></u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis
As of December 31, 2018

ASSETS

Operating Fund:	
Cash	\$ 2,301,470
Receivables with Full Reserves:	
Consumer Accounts Receivable	740,267
Utility Liens Receivable	522
Other Accounts Receivable	1,974
	1,974
Total Operating Fund	3,044,233
Capital Fund:	
Cash	546,821
Fixed Capital	30,811,182
Fixed Capital Authorized and Uncompleted	51,672,596
New Jersey Environmental Infrastructure Trust Funds Receivable	9,301
Interfunds Receivable	78,479
	78,479
Total Capital Fund	83,118,379
Total Assets	\$ 86,162,612

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:	
Liabilities:	
Appropriation Reserves	\$ 877,143
Reserve for Encumbrances	6,664
Prepaid Water/Sewer Rents	93
Water/Sewer Rental Overpayments	20,696
Due to Current Fund	
Due to Water/Sewer Utility Capital Fund	
Interfunds Payable	97,714
Accrued Interest on Loans, Bonds and Notes	228,459
	228,459
Total Liabilities	1,230,769
Reserve for Receivables	742,763
Fund Balance	1,070,701
	1,070,701
Total Operating Fund	3,044,233
Capital Fund:	
New Jersey Environmental Infrastructure Bank	
Loans Payable	12,828,238
Serial Bonds	7,429,000
Bond Anticipation Notes	4,522,100
Capital Improvement Fund	46,643
Improvement Authorizations:	
Funded	169,146
Unfunded	3,220,181
Contracts Payable	4,055,895
Reserve for:	
Amortization	48,622,338
Deferred Amortization	2,222,037
Fund Balance	2,801
	2,801
Total Capital Fund	83,118,379
Total Liabilities, Reserves and Fund Balance	\$ 86,162,612

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY OPERATING FUND
Statement of Operations and Changes in Operating Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2018

Revenue and Other
Income Realized

Operating Surplus Anticipated	\$ 927,341
Rents	7,886,523
Other Credits to Income	577,261
	9,477,121
Total Income	9,477,121

Expenditures

Budget Appropriations:	
Operating	5,797,268
Debt Service	2,553,403
Pension and Social Security	106,479
Other Expenditures	389
	8,457,539
Total Expenditures	8,457,539

Excess in Revenue	1,019,582
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Fund Balance

Balance January 1	978,460
	1,998,042
Decreased by:	
Utilized As Revenue:	
Water/Sewer Utility Operating Fund	927,341
	927,341
Balance Dec. 31	\$ 1,070,701

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF MAPLE SHADE
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Maple Shade (hereafter referred to as the "Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the years, portions of Chester Township were "spun-off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey, being approximately 10 miles from Philadelphia center-city. According to the 2010 census, the population is 19,131.

The Township is governed by a Council of five elected members who designate a Mayor and Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council; the Manager is responsible for carrying out such policy.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Maple Shade School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2018.

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

FOR THE YEARS ENDED 2017, 2016, 2015, 2014 AND 2013

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Maple Shade
Maple Shade, New Jersey 08052

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 Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2017, 2016, 2015, 2014 and 2013, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 opinion.

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 Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2017, 2016, 2015, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Maple Shade, in the County of Burlington, State of New Jersey, as of December 31, 2017, 2016, 2015, 2014 and 2013, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 20, 2018

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

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Cash	\$10,527,383	\$8,426,826	\$5,367,517	\$3,312,632	\$3,611,401
Federal and State Grants Receivable	253,349	396,340	523,046	657,590	1,073,593
Receivables and other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	648,897	655,021	563,936	637,246	664,965
Tax Title Liens Receivable	150,337	144,782	132,080	109,060	94,996
Property Acquired for Taxes-- Assessed Valuation	36,650	36,650	36,650	36,650	36,650
Revenue Accounts Receivable	166,167	168,623	164,334	154,918	151,764
Other Accounts Receivable	1,269	18,862	41,323	97,236	91,564
Interfunds Receivable	33,515	60,983	1,279,634	2,048,203	672,621
Deferred Charges	94,000	188,000	282,000	379,556	470,000
Total Assets	\$11,911,567	\$10,096,086	\$8,390,518	\$7,433,092	\$6,867,554
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$1,892,888	\$1,572,103	\$1,316,017	\$1,474,928	\$1,113,899
Contracts Payable	7,200	79,483	50,222	49,353	336,892
Accounts Payable	77,066				
Reserve for Encumbrances	194,861	58,007	116,880	126,451	413,168
Reserve for Federal and State Grants	343,696	473,223	488,119	370,272	206,128
Prepaid Taxes	755,786	338,003	311,299	246,588	662,065
Tax Overpayments	13,977	56,491	52,729	253,987	209,406
Reserve for Expense of Participation in Free County Library--State Aid	375	375	375	375	375
Due to County for Added or Omitted Taxes	50,938	16,724	13,102	11,245	3,490
Interfunds Payable	19	404,400	182,644	462,574	608,957
Local District School Tax Payable	13,132	13,133	13,130	13,132	13,130
Reserve for Tax Appeals	203,248	203,748	218,248	90,900	219,937
Due to Election Workers					4,360
Due to State of New Jersey:					
License Fes	5,088	4,580	1,750	2,775	750
Veterans and Senior Deductions	42,619	40,996	42,456	42,869	43,869
Prepaid Revenues	4,288		4,800		
Special Emergency Notes	94,000	188,000	282,000	376,000	470,000
Reserve for Revaluation	166,178	166,178	166,178	171,178	174,862
Reserve for Receivables and Other Assets	1,036,834	1,084,920	2,214,697	3,083,313	1,712,560
Fund Balance	7,009,373	5,395,723	2,915,873	657,151	673,706
Total Liabilities, Reserves and Fund Balance	\$11,911,567	\$10,096,086	\$8,390,518	\$7,433,092	\$6,867,554

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

**TOWNSHIP OF MAPLE SHADE
CURRENT FUND**

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

	For the Year Ended December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenue Realized:					
Current Tax Collections	\$42,878,031	\$41,999,809	\$41,321,139	\$39,974,050	\$38,554,879
Delinquent Tax Collections	650,834	541,179	584,090	642,420	599,147
Total Taxes	43,528,865	42,540,989	41,905,229	40,616,470	39,154,026
Miscellaneous Revenues Anticipated	3,005,720	3,468,355	3,976,053	3,743,828	3,519,471
Other Income	2,473,198	3,169,089	3,077,550	1,811,871	1,090,588
Fund Balance Utilized	2,194,800	1,500,000	500,000	600,000	1,260,000
Total Income	51,202,583	50,678,432	49,458,832	46,772,169	45,024,084
Expenditures and Encumbrances:					
Operating	11,279,735	10,817,054	10,971,144	10,681,746	11,262,680
Capital Improvements	280,000	60,043	411,000	322,401	325,090
Debt Service	2,799,524	2,805,100	2,246,093	2,253,794	2,484,089
Deferred Charges	101,754	108,062	109,453	104,175	24,923
Pension and Social Security	1,286,865	1,443,747	1,240,349	1,291,435	1,246,278
County Taxes	5,350,300	5,700,699	5,914,725	5,712,963	5,500,783
Local School Tax	26,273,306	25,491,395	24,632,130	23,851,276	23,421,754
Other Expenditures	4,122	272,472	27,337	159,974	99,879
Creation of Reserve for Interfunds	18,526	10	1,147,880	1,814,516	650,464
Total Expenditures and Encumbrances	47,394,133	46,698,581	46,700,111	46,192,281	45,015,941
Excess in Revenues	3,808,450	3,979,851	2,758,721	579,888	8,143
Adjustments to Income Before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year				3,556	470,000
Statutory Excess to Fund Balance	3,808,450	3,979,851	2,758,721	583,445	478,143
Fund Balance, January 1	5,395,723	2,915,873	657,151	673,706	1,455,564
Decreased by:	9,204,173	6,895,723	3,415,873	1,257,151	1,933,706
Utilized as Revenue	2,194,800	1,500,000	500,000	600,000	1,260,000
Fund Balance December 31	\$7,009,373	\$5,395,723	\$2,915,873	\$657,151	\$673,706

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

TOWNSHIP OF MAPLE SHADE
TRUST FUND
Statements of Assets, Liabilities and Reserves--
Regulatory Basis

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Cash	\$2,126,159	\$1,974,151	\$2,422,242	\$2,785,583	\$2,169,725
Interfunds Receivable				13	
Other Accounts Receivable	9,400	30,344	5,708	56,847	174
Deferred Charges	11,203	7,754	14,062	11,897	10,175
Total Assets	\$2,146,762	\$2,012,249	\$2,442,013	\$2,854,340	\$2,180,075
LIABILITIES AND RESERVES					
Accounts Payable	\$1,219,786	\$1,009,660	\$1,459,724	\$1,737,920	\$1,419,239
Interfunds Payable	14,989	60,983	128,298	458,079	22,304
Reserve for Special Funds	911,988	941,605	853,990	658,341	738,531
Total Liabilities and Reserves	\$2,146,762	\$2,012,249	\$2,442,013	\$2,854,340	\$2,180,075

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

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

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Cash--Treasurer	\$1,542,382	\$2,121,943	\$3,865,633	\$6,859,825	\$6,728,837
Interfunds Receivable	19	404,400	182,644	251,020	
Grants Receivable		101,500	101,500	429,698	517,032
Green Acres Grant/Loan Receivable					375,000
Other Accounts Receivable			66,753		
Deferred Charges to Future Taxation:					
Funded	8,280,729	10,135,906	11,853,567	13,494,316	14,739,562
Unfunded	15,868,103	12,933,184	12,725,228	10,698,782	8,669,998
Total Assets	\$25,691,234	\$25,696,933	\$28,795,325	\$31,733,642	\$31,030,429
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$7,872,000	\$9,701,000	\$11,393,000	\$13,015,000	\$14,555,000
Loans Payable	408,729	434,906	460,567	479,316	184,562
Bond Anticipation Notes	11,534,591	10,680,722	10,397,240	10,397,240	8,061,665
Reserve for Payment of Bonds and Notes	67,500	81,000	96,104	108,000	121,500
Reserve for Green Acres Grant/Loan Receivable					375,000
Improvement Authorizations:					
Funded	397,182	568,840	987,352	1,157,309	1,478,870
Unfunded	4,899,087	3,368,503	3,350,734	4,230,014	4,310,769
Contracts Payable	329,014	778,971	1,917,828	2,246,316	1,784,854
Capital Improvement Fund	33,400	31,350	89,957	66,453	39,378
Reserve for Encumbrances	4,570	7,406	7,406	11,119	50,074
Interfunds Payable					42,153
Fund Balance	145,159	44,235	95,137	22,875	26,603
Total Liabilities, Reserves and Fund Balance	\$25,691,234	\$25,696,933	\$28,795,325	\$31,733,642	\$31,030,429

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

TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS					
Operating Fund:					
Cash--Treasurer	\$2,509,544	\$1,193,946	\$2,751,109	\$1,942,123	\$2,245,446
Interfunds Receivable				23,110	792
Receivables with Full Reserves:					
Consumer Accounts Receivable	758,924	741,084	633,266	723,724	503,511
Utility Liens Receivable		2,028	2,229		
Other Accounts Receivable	1,585	813	1,200	8,087	18,684
Total Operating Fund	3,270,054	1,937,872	3,387,805	2,697,044	2,768,433
Capital Fund:					
Cash--Treasurer	1,460,561	2,276,561	3,731,551	484,604	1,003,199
Deferred Charges	78,479	78,479			
Fixed Capital	30,811,182	30,811,182	30,811,182	30,811,182	30,811,182
Fixed Capital Authorized and Uncompleted	49,972,596	47,587,596	46,120,115	43,470,115	41,370,115
NJ Environmental Infrastructure Loans Receivable	774,645		911,876	1,827,490	108,491
Grants Receivable			78,479	78,479	631,347
Interfund Receivable			64,132	263,243	93,731
Total Capital Fund	83,097,463	80,753,817	81,717,335	76,935,113	74,018,064
Assessment Trust Fund:					
Cash--Treasurer			29	29	29
Total Assessment Trust Fund	-	-	29	29	29
Total Assets	\$86,367,517	\$82,691,689	\$85,105,169	\$79,632,186	\$76,786,527

(continued)

**TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND**
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Reserve for Encumbrances	\$392,393	\$6,737	\$302,293	\$3,818	\$50,983
Interfunds Payable	18,526		1,215,467	273,004	93,731
Appropriation Reserves	869,028	575,424	210,080	650,235	488,858
Accrued Interest on Bonds and Notes	232,831	201,276	198,890	210,062	213,465
Accounts Payable		4,006	1,408	5,761	39,956
Prepaid Water/Sewer Rents			128	127	15,912
Water/Sewer Rental Overpayments	18,305	10,251	23,175	51,432	2,558
Reserve for Receivables	760,509	743,926	636,696	731,811	522,195
Fund Balance	978,460	396,253	799,668	770,795	1,340,775
Total Operating Fund	3,270,054	1,937,872	3,387,805	2,697,044	2,768,433
Capital Fund:					
New Jersey Environmental Infrastructure					
Loans Payable	11,749,899	12,715,207	13,735,934	13,238,496	12,254,293
Water/Sewer Serial Bonds	8,216,000	9,183,000	9,947,000	10,651,000	11,325,000
Bond Anticipation Notes	6,743,094	2,968,094	3,267,000		
Improvement Authorizations:					
Funded	190,406	236,892	1,299,507	1,905,320	1,928,451
Unfunded	5,738,284	6,797,408	5,132,023	5,041,577	3,904,691
Capital Improvement Fund	46,643	45,893	45,893	45,084	84
Contracts Payable	1,448,978	1,073,484	2,285,551	898,209	2,453,593
Reserve for:					
Encumbrances				9,920	12,180
Amortization	46,742,122	44,662,442	43,877,222	41,703,994	40,221,875
Deferred Amortization	2,222,037	2,102,787	2,102,787	1,976,596	1,871,596
Payment of Debt		968,611	2,738		
Interfunds Payable				1,391,932	
Fund Balance			21,680	72,984	46,302
Total Capital Fund	83,097,463	80,753,817	81,717,335	76,935,113	74,018,064
Assessment Trust Fund:					
Fund Balance			29	29	29
Total Assessment Trust Fund	---	---	29	29	29
Total Liabilities, Reserves and Fund Balance	\$86,367,517	\$82,691,689	\$85,105,169	\$79,632,186	\$76,786,527

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

**TOWNSHIP OF MAPLE SHADE
WATER/SEWER UTILITY FUND**
Statements of Operations and Changes in Operating Fund Balance--
Regulatory Basis

	For the Year Ended December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenue Realized:					
Operating Surplus Anticipated	\$137,000	\$694,558	\$669,000	\$403,000	\$404,200
Rents	7,518,150	7,262,573	7,521,062	7,226,139	7,330,486
Miscellaneous	75,857	122,796	110,314	145,385	131,690
Water/Sewer Utility Capital Surplus		21,680	72,984		
Reserve for Payment of Bonds	968,611	33,634			
Other Credits to Income	466,195	194,637	323,661	386,235	585,877
Total Income	9,165,813	8,329,879	8,697,023	8,160,759	8,452,254
Expenditures and Encumbrances:					
Operating	5,727,246	5,563,975	5,467,540	5,390,940	5,265,370
Capital Improvements	120,000		127,000	150,000	100,000
Debt Service	2,425,215	2,449,762	2,377,095	2,246,330	2,195,191
Pension and Social Security	173,372	25,000	25,000	25,000	25,000
Other Expenditures	772		2,513	15,469	44,674
Total Expenditures and Encumbrances	8,446,605	8,038,737	7,999,149	7,827,739	7,630,235
Statutory Excess to Fund Balance	719,208	291,142	697,874	333,019	822,019
Fund Balance January 1	396,253	799,668	770,795	1,340,775	1,282,957
	1,115,460	1,090,811	1,468,668	1,673,795	2,104,975
Decreased by:					
Utilized as Revenue in Current Fund Budget				500,000	360,000
Utilized as Revenue	137,000	694,558	669,000	403,000	404,200
Fund Balance December 31	\$978,460	\$396,253	\$799,668	\$770,795	\$1,340,775

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Maple Shade (hereafter referred to as the "Township") was part of Chester Township which was founded in 1688 and authorized by royal charter in 1712. Over the years, portions of Chester Township were "spun-off" to form the Townships of Evesham, Cinnaminson and Moorestown; in 1945 the remaining Township of Chester changed its name to the Township of Maple Shade.

The Township is located in the County of Burlington, New Jersey, being approximately 10 miles from Philadelphia center-city. According to the 2010 census, the population is 19,131.

The Township is governed by a Council of five elected members who designate a Mayor and Deputy Mayor from their number. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council; the Manager is responsible for carrying out such policy.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

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

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Maple Shade School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

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

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

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2017, the Township's bank balances of \$18,355,867.71 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 16,753,531.69
Uninsured and Uncollateralized	<u>1,602,336.02</u>
Total	<u>\$ 18,355,867.71</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>
Tax Rate	\$ 3.372	\$ 3.322	\$ 3.250	\$ 3.151	\$ 2.583
Apportionment of Tax Rate:					
Municipal	0.881	0.861	0.861	0.840	0.691
County	0.415	0.443	0.457	0.441	0.360
Local School District	2.076	2.018	1.932	1.870	1.532

(1) Revaluation

Assessed Valuation

Year

2017	\$ 1,280,210,634.00
2016	1,286,500,032.00
2015	1,294,374,032.00
2014 (1)	1,296,656,400.00
2013	1,530,768,839.00

(1) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 43,589,926.84	\$ 42,878,030.78	98.37%
2016	42,878,427.07	41,999,809.32	97.95%
2015	42,160,431.46	41,321,139.01	98.01%
2014	40,937,994.90	39,974,050.01	97.65%
2013	39,666,927.75	38,554,878.70	97.20%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 150,336.68	\$ 648,897.36	\$ 799,234.04	1.83%
2016	144,782.48	655,020.60	799,803.08	1.87%
2015	132,079.84	563,935.72	696,015.56	1.62%
2014	109,059.77	637,246.21	746,305.98	1.82%
2013	94,996.49	664,964.71	759,961.20	1.92%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2017	13
2016	14
2015	14
2014	12
2013	11

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2017	\$ 36,649.50
2016	36,649.50
2015	36,649.50
2014	36,649.50
2013	36,649.50

Note 5: WATER/SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2017	\$741,084.35	\$2,028.17	\$ 7,553,961.26	\$ 8,297,073.78	\$ 7,518,149.78
2016	633,266.42	2,229.21	7,370,190.52	8,005,686.15	7,262,573.36
2015	723,723.84	-	7,432,768.19	8,156,492.03	7,521,062.49
2014	503,510.80	-	7,446,352.07	7,949,862.87	7,226,139.03
2013	504,972.65	-	7,329,024.23	7,833,996.88	7,330,486.08

Note 6: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budgets of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2017	\$ 7,009,372.80	\$ 2,404,000.00	34.30%
2016	5,395,723.18	2,194,800.00	40.68%
2015	2,915,872.58	1,500,000.00	51.44%
2014	657,151.26	500,000.00	76.09%
2013	673,706.38	600,000.00	89.06%
<u>Water/Sewer Utility Operating Fund</u>			
2017	\$ 978,460.32	\$ 927,341.00	94.78%
2016	396,056.68	137,000.00	34.59%
2015	799,668.46	694,558.00	86.86%
2014	770,794.56	669,000.00	86.79%
2013	1,340,775.30	903,000.00 (A)	67.35%

(A) Includes \$500,000.00 utilized in Current Fund budget

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2017:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 33,515.19	\$ 18.89
Trust Dog License Fund		14,729.46
Trust Other Funds		259.46
General Capital Fund	18.89	
Water/Sewer Utility Operating Fund		18,526.27
	<u>\$ 33,534.08</u>	<u>\$ 33,534.08</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2018, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

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

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

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

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

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

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

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

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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

Contributions

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

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.28% 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$249,837.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$240,478.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$140,091.97.

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 was 10% in State fiscal year 2017. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2017 was 27.38% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$811,307.00, and is payable by April 1, 2018. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$733,426.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$296,328.60.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.67% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$79,265.00, and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$55,291.00, which was paid on April 1, 2017.

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

For the year ended December 31, 2017, employee contributions totaled \$9,109.64, and the Township's contributions were \$4,968.90. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$6,277,902.00. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the Township's proportion was 0.0269687860%, which was a decrease of 0.0001003120% from its proportion measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$455,758.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PERS was \$240,478.00, and was paid on April 1, 2017.

Police and Firemen's Retirement System - At December 31, 2017, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 14,152,260.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,585,172.00</u>
	<u>\$ 15,737,432.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. 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, 2017 measurement date, the Township's proportion was 0.0916711954%, which was an increase of 0.0017178671% from its proportion measured as of June 30, 2016. Likewise, at June 30, 2017, the State of New Jersey's proportion, on-behalf of the Township, was 0.0916711954%, which was an increase of 0.0017178671% from its proportion, on-behalf of the Township, measured as of June 30, 2016.

At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2017 measurement date is \$1,317,123.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2017, the Township's contribution to PFRS was \$733,426.00, and was paid on April 1, 2017.

At December 31, 2017, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2017 measurement date is \$193,902.00. 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 December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 147,823.00	\$ 91,812.00	\$ 239,635.00	\$ -	\$ 83,062.00	\$ 83,062.00
Changes of Assumptions	1,264,781.00	1,745,131.00	3,009,912.00	1,260,144.00	2,317,726.00	3,577,870.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	42,748.00	270,058.00	312,806.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	498,628.00	736,034.00	1,234,662.00	390,722.00	1,063,278.00	1,454,000.00
Township Contributions Subsequent to the Measurement Date	124,919.00	405,654.00	530,573.00	-	-	-
	<u>\$ 2,078,899.00</u>	<u>\$ 3,248,689.00</u>	<u>\$ 5,327,588.00</u>	<u>\$ 1,650,866.00</u>	<u>\$ 3,464,066.00</u>	<u>\$ 5,114,932.00</u>

\$124,919.00 and \$405,654.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. These amounts were based on an estimated April 1, 2019 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2017 to the Township's year end of December 31, 2017.

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

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59

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 (cont'd):

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 139,740.00	\$ 85,753.00	\$ 225,493.00
2019	214,968.00	379,938.00	594,906.00
2020	185,434.00	(94,154.00)	91,280.00
2021	(104,111.00)	(734,088.00)	(838,199.00)
2022	(132,917.00)	(258,480.00)	(391,397.00)
	<u>\$ 303,114.00</u>	<u>\$ (621,031.00)</u>	<u>\$ (317,917.00)</u>

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. 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, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2017 was 5.00% for PERS and 6.14% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year.

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate (Cont'd) - The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2040 for PERS and through 2057 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for PERS and through 2057 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2017, the Plan's measurement date, calculated using a discount rate of 5.00%, 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 (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 7,788,164.00</u>	<u>\$ 6,277,902.00</u>	<u>\$ 5,019,667.00</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, 2017, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.14%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's Proportionate Share of the Net Pension Liability	\$ 18,646,768.00	\$ 14,152,260.00	\$ 10,459,511.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>2,088,594.65</u>	<u>1,585,172.00</u>	<u>1,171,553.05</u>
	<u>\$ 20,735,362.65</u>	<u>\$ 15,737,432.00</u>	<u>\$ 11,631,064.05</u>

Note 8: PENSION PLANS (CONT'D)

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 <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary Pension Information

In accordance with GASBS 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 Five Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0269687860%	0.0270690980%	0.0231523365%
Township's Proportionate Share of the Net Pension Liability	\$ 6,277,902.00	\$ 8,017,090.00	\$ 5,197,236.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,870,956.00	\$ 1,860,408.00	\$ 1,620,416.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	335.55%	430.93%	320.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0255025083%	0.0276805114%
Township's Proportionate Share of the Net Pension Liability	\$ 4,774,767.00	\$ 5,290,296.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,800,928.00	\$ 1,927,556.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	265.13%	274.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

Supplementary Pension Information (Cont'd)

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 249,837.00	\$ 240,478.00	\$ 199,048.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(249,837.00)</u>	<u>(240,478.00)</u>	<u>(199,048.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,881,347.00	\$ 1,842,893.00	\$ 1,814,071.00
Township's Contributions as a Percentage of Covered Payroll	13.28%	13.05%	10.97%

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 210,239.00	\$ 208,567.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(210,239.00)</u>	<u>(208,567.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,682,576.00	\$ 1,802,094.00
Township's Contributions as a Percentage of Covered Payroll	12.50%	11.57%

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 Five Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Proportion of the Net Pension Liability	0.0916711954%	0.0899533283%	0.0991908917%
Township's Proportionate Share of the Net Pension Liability	\$ 14,152,260.00	\$ 17,183,387.00	\$ 16,521,745.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,585,172.00</u>	<u>1,442,978.00</u>	<u>1,448,902.00</u>
Total	<u>\$ 15,737,432.00</u>	<u>\$ 18,626,365.00</u>	<u>\$ 17,970,647.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,967,372.00	\$ 2,875,128.00	\$ 3,141,188.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0906861153%	0.0956624573%
Township's Proportionate Share of the Net Pension Liability	\$ 11,407,472.00	\$ 12,717,460.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,228,393.00</u>	<u>1,185,422.00</u>
Total	<u>\$ 12,635,865.00</u>	<u>\$ 13,902,882.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,864,304.00	\$ 3,002,204.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Township's Contractually Required Contribution	\$ 811,307.00	\$ 733,426.00	\$ 806,274.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(811,307.00)</u>	<u>(733,426.00)</u>	<u>(806,274.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,963,288.00	\$ 2,967,584.00	\$ 2,917,114.00
Township's Contributions as a Percentage of Covered Payroll	27.38%	24.71%	27.64%

	<u>Year Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 696,532.00	\$ 697,932.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(696,532.00)</u>	<u>(697,932.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 3,019,542.00	\$ 2,867,227.00
Township's Contributions as a Percentage of Covered Payroll	23.07%	24.34%

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

Changes in Benefit Terms - None

Changes in Assumptions - For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions - For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65% from 7.90%, and the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)***General Information about the OPEB Plan***

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Plan Description - The Township's defined benefit postemployment healthcare plan, the Maple Shade Township Postemployment Benefits Plan (the "Township Plan"), provides OPEB for all eligible permanent full-time employees of the Township. Effective January 1, 2013, the Township Plan is a single-employer defined benefit OPEB plan administered by the Township. The benefit provisions of the Township Plan may be established or amended by the Township Council. The plan does not issue a separate financial report. Prior to 2013, the Township Plan was an agent multiple-employer postemployment healthcare plan administered by the Municipal Reinsurance Health Insurance Fund (the "MRHIF"). No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (Cont'd)

Benefits Provided - The Township Plan provides, for eligible employees, a cash payment reimbursement annually, subject to certain maximum amounts, to any employee upon retirement from the Township to help defray the cost of obtaining their health insurance. Members of the Policemen's Benevolent Association, Local 267 and the Teamsters Local Union No. 676 become eligible for the benefit upon termination of the employee's active service with the Township with a retirement allowance granted and paid under the provisions of the Police and Firemen's Retirement System (PFRS) of New Jersey or the Public Employees Retirement System (PERS) of New Jersey, which is dependent upon age, years of service and date of hire. Non-union full-time employees become eligible for the benefit upon retirement at age 60 or with 25 years of service, or upon retirement with a disability retirement under the Public Employees Retirement System (PERS) of New Jersey.

For the year ended December 31, 2017, the maximum annual benefit under the Township Plan was as follows:

<u>Plan Participant</u>	<u>Amount</u>
Policemen's Benevolent Association, Local 267	
Superior Officers	\$ 15,750
Captain and Lieutenants	17,250
Officers	15,000
Teamsters Local Union No. 676	7,500
Non-Union Full-Time Employees	
Staff	7,000
Management	9,000

Employees Covered by Benefit Terms – At January 1, 2017, the following employees were covered by the benefit terms:

<u>Participant Data</u>	<u>Amount</u>
Active Employees	62
Retirees and Covered Spouses	40
Total	<u>102</u>

Total OPEB Liability

The total OPEB liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement 75. The Township's total OPEB liability of \$9,013,395.00 was measured as of January 1, 2017, and was determined by an actuarial valuation as of that date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Total OPEB Liability (Cont'd)**

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of payroll
Discount Rate	3.70% - Single Equivalent Interest Rate (SEIR) based upon the S&P Municipal Bond 20 Year High Grade Rate Index
Annual Wage Increases	3.00%
Investment Rate of Return	Not Applicable
Actuarial Value of Assets	Not Applicable
Funding Policy	Pay-as-you-go
Annual Healthcare Trend	Not applicable; It is assumed that the stipend amounts in force when the Collective Bargaining Agreements expire will not increase thereafter.
Benefit Payable	It is assumed that current and future retirees will purchase insurance sufficient to receive the current maximum allowable reimbursement. Maximum reimbursement amounts for current retirees vary by retiree and were provided in the participant data.
Participation	<i>Future Retirees:</i> 100% of future retirees are assumed to elect coverage at retirement. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
	<i>Current Retirees:</i> Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.
Spousal Participation	Not Applicable
Spouse Age	Not Applicable
Mortality	<i>Healthy:</i> SOA RPH-2014 Headcount-Weighted Employee/Annuitant
	<i>Disabled:</i> SOA RPH-2014 Headcount-Weighted Disabled Mortality
	<i>Margin for mortality improvements:</i> Scale MP-2016, Generational
Withdrawal	Participants are assumed to terminate employment for reasons other than death, disability or retirement in accordance with annual rates varying by age and service.
Disability	Participants are assumed to become disabled in accordance with annual rates varying by age.
Retirement	Participants are assumed to retire in accordance with annual rates varying by age and/or service.
Changes Since Prior Valuation	<i>Actuarial cost method was changed from Projected Unit Credit to Entry Age Normal (EAN) as a level percentage of payroll.</i>
	<i>Discount rate was lowered from 4.50% to 3.70%.</i>
	<i>Mortality improvement scale was updated to MP-2016.</i>
	<i>Retirement, Withdrawal, and Disability were updated to reflect the assumptions used in the 7/1/2016 PFRS and PERS valuations.</i>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total OPEB Liability (Cont'd)

Discount Rate - The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2017, the discount rate was lowered from 3.70% to 3.20%.

Changes in the Total OPEB Liability - The changes to the total OPEB Liability during the year ending December 31, 2017 are as follows:

	<u>Total OPEB Liability</u>
Balance, January 1, 2017	\$ 9,013,395.00
Changes for the Year:	
Service Cost	277,654.00
Interest Cost	328,149.00
Net Benefits Paid by Township	(289,020.00)
Changes in Assumptions	<u>615,704.00</u>
Net Changes	<u>932,487.00</u>
Balance, December 31, 2017	<u><u>\$ 9,945,882.00</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.2 percent) or 1-percentage-point higher (4.2 percent) than the current discount rate:

	1% Decrease (2.2%)	Current Discount Rate (3.2%)	1% Increase (4.2%)
Total OPEB Liability	<u>\$ 11,495,791.00</u>	<u>\$ 9,945,882.00</u>	<u>\$ 8,686,704.00</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

A 1% increase or 1% decrease in the healthcare trend would have no effect on the Net OPEB Liability.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2017, the Township's OPEB expense was estimated to be \$690,963.00. At December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	<u>\$ 530,544.00</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending Dec. 31,</u>	<u>Amount</u>
2018	\$ 85,160.00
2019	85,160.00
2020	85,160.00
2021	85,160.00
2022	85,160.00
2023-24	<u>104,744.00</u>
	<u>\$ 530,544.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Other Supplementary Information

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

	Year Ended Dec. 31, 2017
Service Cost	\$ 277,654.00
Interest Cost	328,149.00
Changes in Assumptions	615,704.00
Net Benefits Paid by Township	<u>(289,020.00)</u>
Net Change in Total OPEB Liability	932,487.00
Total OPEB Obligation, January 1	<u>9,013,395.00</u>
Net OPEB Obligation, December 31	<u>\$ 9,945,882.00</u>
Covered-employee Payroll	<u>\$ 4,843,310.00</u>
Total OPEB Liability as a Percentage of Covered-employee Payroll	205.4%

Schedule of Funding Progress

Actuarial Valuation Date	January 1,		
	<u>2017</u>	<u>2014</u>	<u>2009</u>
Total OPEB Liability (a)	\$ 9,013,395.00	\$7,192,589.00	\$3,903,200.00
Fiduciary Net Position (b)	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability (a - b)	<u>\$ 9,013,395.00</u>	<u>\$7,192,589.00</u>	<u>\$3,903,200.00</u>
Funded Ratio (a / b)	0.0%	0.0%	0.0%
Covered-employee Payroll (c)	\$ 4,843,310.00	\$4,556,852.00	\$5,379,986.00
Net OPEB Liability as a Percentage of Covered-employee Payroll (a - b) / c	186.1%	157.8%	72.6%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)***Other Supplementary Information (Cont'd)*****Schedule of Employer Contributions**

Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution*</u> (a)	Actual <u>Contribution</u> (b)	Contribution Deficiency <u>(Excess)</u> (a) - (b)	Covered <u>Payroll</u> (c)	Contributions as a Percentage Covered <u>Payroll</u> (b) / (c)
2009	\$ 368,600.00	\$ 152,711.00	\$ 215,889.00	\$5,379,986.00	2.84%
2010	368,600.00	166,386.00	202,214.00	5,379,986.00	3.09%
2011	368,600.00	196,128.00	172,472.00	5,379,986.00	3.65%
2014	710,380.00	215,029.00	495,351.00	4,556,852.00	4.72%
2015	710,380.00	247,453.00	462,927.00	4,556,852.00	5.43%
2016	710,380.00	245,549.00	464,831.00	4,556,852.00	5.39%
2017	289,020.00	289,020.00	-	4,843,310.00	5.97%

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to paid unused sick leave, vacation days and compensatory time in various amounts as outlined in the Township code and contracts between the Township and PBA Local 267 and Teamsters Local Union 676. Unused sick leave, vacation days and compensatory time may be accumulated and carried forward to the subsequent year, subject to conditions outlined in the Township code and contracts. Upon retirement, employees may be compensated for accumulated unused sick leave, vacation days and compensatory time in accordance with formulas and limits established in the Township code and contracts.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$907,419.44.

The Township has established a Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2017, the balance of the fund was \$95,475.27.

Note 11: LEASE OBLIGATIONS

At December 31, 2017, the Township had lease agreements in effect for the following:

- Operating:
 - Photocopiers
 - Postage Systems

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

<u>Year</u>	<u>Amount</u>
2018	\$ 15,091.32
2019	15,091.32
2020	15,091.32
2021	1,991.43
	<hr/>
	\$ 47,265.39
	<hr/> <hr/>

Rental payments under operating leases for the year 2017 were \$16,300.17.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: CAPITAL DEBT

General Improvement Bonds

County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002 –
 On October 15, 2002, the Burlington County Bridge Commission issued \$73,510,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$7,261,000.00, consisting of \$3,549,000.00 to fund various general improvements and \$3,712,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.0% to 5.0%. In March 2011, \$4,220,000.00 of \$5,441,000.00 outstanding principal was refunded through the issuance of County-Guaranteed Pooled Loan Revenue Refunding Bonds. As of December 31, 2017, the sole remaining maturity of the Series 2002 bonds is due October 15, 2022.

Note 13: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006 - On December 28, 2006, the Burlington County Bridge Commission issued \$22,565,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$12,071,000.00, consisting of \$6,389,000.00 to fund various general improvements and \$5,682,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 3.5% to 5.0%. On March 28, 2017, the Burlington County Bridge Commission issued County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A, in part, to refund, on a current basis, the outstanding balance of the Series 2006 bonds. See Note 14, Capital Debt Refunding.

County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2010B - On December 21, 2010, the Burlington County Bridge Commission issued \$17,675,000.00 of County-Guaranteed Pooled Loan Revenue Bonds to make loans to certain borrowers in the County of Burlington under a Governmental Loan Program. Under this program, pursuant to a Borrower Purchase Agreement, the Township issued general obligation bonds in the amount of \$15,165,000.00, consisting of \$9,515,000.00 to fund various general improvements and \$5,650,000.00 to fund various water/sewer utility improvements. The bonds were issued with interest rates ranging from 2.25% to 5.0%. The final maturity of the bonds is October 15, 2030.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2011A - On March 31, 2011, the Burlington County Bridge Commission issued \$37,785,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds to make loans to certain borrowers in the County of Burlington under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The Township issued general obligation bonds in the amount of \$4,150,000.00, consisting of \$2,048,000.00 for general improvements and \$2,102,000.00 for water/sewer utility improvements, to advance refund \$5,441,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2002. The bonds were issued with interest rates ranging from 3.0% to 5.0%. The final maturity of the bonds is October 15, 2021.

County-Guaranteed Pooled Loan Revenue Refunding Bonds (Governmental Loan Program), Series 2017A - On March 28, 2017, the Burlington County Bridge Commission issued \$18,925,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A to make loans to certain borrowers in the County of Burlington, including the Township, under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The Township issued general obligation bonds in the amount of \$6,067,000.00, consisting of \$2,982,000.00 for general improvements and \$3,085,000.00 for water/sewer utility improvements, to currently refund \$6,207,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The bonds were issued with interest rates ranging from 3.0% to 4.0%. The final maturity of the bonds is January 15, 2026.

Note 13: CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds issued pursuant to the Burlington County Bridge Commission Governmental Loan Program:

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,765,000.00	\$ 326,457.50	\$ 2,091,457.50
2019	1,826,000.00	269,835.00	2,095,835.00
2020	1,908,000.00	170,355.00	2,078,355.00
2021	1,164,000.00	115,215.00	1,279,215.00
2022	1,209,000.00	59,305.00	1,268,305.00
	<u>\$ 7,872,000.00</u>	<u>\$ 941,167.50</u>	<u>\$ 8,813,167.50</u>

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 787,000.00	\$ 348,651.26	\$ 1,135,651.26
2019	811,000.00	320,048.76	1,131,048.76
2020	826,000.00	279,498.76	1,105,498.76
2021	837,000.00	252,083.76	1,089,083.76
2022	886,000.00	215,853.76	1,101,853.76
2023-2027	2,899,000.00	603,108.80	3,502,108.80
2028-2030	1,170,000.00	104,500.02	1,274,500.02
	<u>\$ 8,216,000.00</u>	<u>\$ 2,123,745.12</u>	<u>\$ 10,339,745.12</u>

General Debt - New Jersey Green Acres Loan

On December 23, 2010, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$213,625.00, at an interest rate of 2.0%. The proceeds were used to fund open space acquisition. Semiannual debt payments are due March and September, with the final maturity payment due March 23, 2027.

Note 13: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loan (Cont'd)

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

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 13,033.57	\$ 2,634.06	\$ 15,667.63
2019	13,295.55	2,372.09	15,667.64
2020	13,562.78	2,104.85	15,667.63
2021	13,835.40	1,832.24	15,667.64
2022	14,113.49	1,554.14	15,667.63
2023-2027	67,104.63	3,399.74	70,504.37
	<u>\$ 134,945.42</u>	<u>\$ 13,897.12</u>	<u>\$ 148,842.54</u>

General Debt – New Jersey DEP Restoration Loan

On November 5, 2014, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$306,790.95.00, at an interest rate of 2.0%. The proceeds were used to fund expenses related to the restoration of Steinhauer lake. Semiannual debt payments are due February and August, with the final maturity payment due August 5, 2034.

The following schedule represents the remaining debt service, through maturity, for the New Jersey DEP Restoration Loan:

<u>Year</u>	<u>General</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 13,669.57	\$ 5,407.67	\$ 19,077.24
2019	13,944.33	5,132.91	19,077.24
2020	14,224.61	4,852.63	19,077.24
2021	14,510.53	4,566.71	19,077.24
2022	14,802.18	4,275.06	19,077.24
2023-2027	78,595.22	16,790.98	95,386.20
2028-2032	86,818.02	8,568.18	95,386.20
2033-2034	37,219.36	935.12	38,154.48
	<u>\$ 273,783.82</u>	<u>\$ 50,529.26</u>	<u>\$ 324,313.08</u>

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans**

On November 4, 2004, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,692,996.00, at no interest, from the fund loan, and \$1,645,000.00 at interest rates ranging from 3.4% to 5.0% from the trust loan. The proceeds were used to fund the replacement of transmission and distribution mains within the Township's water utility system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2024.

On November 8, 2007, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$5,550,000.00, at no interest, from the fund loan, and \$5,860,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the design and construction of a water treatment system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2027.

On December 2, 2010, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$474,939.00, at no interest, from the fund loan, and \$445,000.00 at an interest rate of 5.0% from the trust loan. \$237,470.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund the replacement of water mains. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2030. On May 10, 2016, the New Jersey Environmental Infrastructure Trust issued Environmental Infrastructure Refunding Bonds, Series 2016A-R2 to refund a portion of the outstanding the New Jersey Environmental Infrastructure Bonds, Series 2010B.

On March 19, 2012, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$789,453.00, at no interest, from the fund loan, and \$480,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. \$263,151.00 of the principal due on the fund loan was forgiven. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2031.

On May 22, 2014, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,362,857.00, at no interest, from the fund loan, and \$445,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund improvements to the Township's wastewater treatment plant. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2033.

On May 28, 2015, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,475,000.00, at no interest, from the fund loan, and \$455,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund construction expenditures related to the Township's water treatment plant, well house and pumping facilities. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2034.

Note 13: CAPITAL DEBT (CONT'D)

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

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

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 989,106.76	\$ 263,835.02	\$ 1,252,941.78
2019	1,012,270.79	242,485.02	1,254,755.81
2020	1,037,778.66	219,985.02	1,257,763.68
2021	1,056,604.13	196,285.02	1,252,889.15
2022	1,073,019.48	171,535.02	1,244,554.50
2023-2027	4,950,475.50	473,068.82	5,423,544.32
2028-2032	1,316,345.99	67,990.02	1,384,336.01
2033-2034	314,297.88	4,775.00	319,072.88
	<u>\$ 11,749,899.19</u>	<u>\$ 1,639,958.94</u>	<u>\$ 13,389,858.13</u>

Note 13: CAPITAL DEBT (CONT'D)

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

Summary of Debt

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General:			
Bonds, Loans, and Notes	\$ 19,815,320.24	\$ 20,816,628.23	\$ 22,250,807.43
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>26,708,993.19</u>	<u>24,866,300.65</u>	<u>26,949,933.77</u>
Total Issued	<u>46,524,313.43</u>	<u>45,682,928.88</u>	<u>49,200,741.20</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	4,333,512.24	2,252,462.24	2,389,446.36
Water/Sewer Utility:			
Bonds, Loans, and Notes	<u>5,110,625.67</u>	<u>6,767,247.67</u>	<u>4,010,495.63</u>
Total Authorized but not Issued	<u>9,444,137.91</u>	<u>9,019,709.91</u>	<u>6,399,941.99</u>
Total Issued and Authorized but not Issued	<u>55,968,451.34</u>	<u>54,702,638.79</u>	<u>55,600,683.19</u>
<u>Deductions</u>			
Funds Temporarily Held to Pay Bonds and Notes	67,500.00	81,000.00	157,562.13
Self-Liquidating Debt	<u>31,819,618.86</u>	<u>31,633,548.32</u>	<u>30,960,429.40</u>
Total Deductions	<u>31,887,118.86</u>	<u>31,714,548.32</u>	<u>31,117,991.53</u>
Net Debt	<u>\$ 24,081,332.48</u>	<u>\$ 22,988,090.47</u>	<u>\$ 24,482,691.66</u>

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.748%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 14,470,000.00	\$ 14,470,000.00	
Water/Sewer Utility	31,819,618.86	31,819,618.86	
General	<u>24,148,832.48</u>	<u>67,500.00</u>	<u>\$ 24,081,332.48</u>
	<u>\$ 70,438,451.34</u>	<u>\$ 46,357,118.86</u>	<u>\$ 24,081,332.48</u>

Net Debt \$24,081,332.48 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,377,302,138.33 equals 1.748%.

Borrowing Power Under NJSA 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 48,205,574.84
Net Debt	<u>24,081,332.48</u>
Remaining Borrowing Power	<u>\$ 24,124,242.36</u>

**Calculation of "Self-Liquidating Purpose,"
Water/Sewer Utility Per NJSA 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 8,699,617.96
Deductions:	
Operating and Maintenance Cost	\$ 5,753,246.00
Debt Service per Water/Sewer Fund	<u>2,425,215.34</u>
	<u>8,178,461.34</u>
Excess in Revenue	<u>\$ 521,156.62</u>

Note 14: CAPITAL DEBT REFUNDING

On March 28, 2017, the Burlington County Bridge Commission issued \$18,925,000.00 of County-Guaranteed Pooled Loan Revenue Refunding Bonds, Series 2017A to make loans to certain borrowers in the County of Burlington, including the Township, under the Governmental Loan Program to refinance a portion of the loans made by the Commission to borrowers that were financed with a portion of the proceeds of the Commission's County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The Township issued general obligation bonds in the amount of \$6,067,000.00, consisting of \$2,982,000.00 for general improvements and \$3,085,000.00 for water/sewer utility improvements, to currently refund \$6,207,000.00 of the County-Guaranteed Pooled Loan Revenue Bonds (Governmental Loan Program), Series 2006. The bonds were issued with interest rates ranging from 3.0% to 4.0%. The final maturity of the bonds is January 15, 2026. As a result of the current refunding, the Township will reduce its total debt service payments over the next ten years by \$355,973.91, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$343,961.36, or 5.542% of the principal amount being refunded.

Note 15: SCHOOL TAXES

Local School District Taxes have been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance Dec. 31,</u>	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 13,302,152.00	\$ 12,997,418.00
Deferred	<u>13,289,020.50</u>	<u>12,984,285.50</u>
Tax Payable	<u>\$ 13,131.50</u>	<u>\$ 13,132.50</u>

Note 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>2018 Budget</u> <u>Appropriations</u>
Current Fund:		
Special Emergency Authorization	\$ 94,000.00	\$ 94,000.00
Dog License Trust Fund:		
Deficit--Dog Fund Expenditures	11,202.90	11,202.90
Water/Sewer Utility Capital Fund:		
Unreimbursed Grant Receivable	78,479.00	78,479.00

The appropriations in the 2018 Budget as adopted are not less than that required by the statutes.

Note 17: RISK MANAGEMENT

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

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 15,385.48	\$ 7,585.64	\$ 17,378.85	\$ 30,613.58
2016	13,608.30	7,478.68	17,800.29	25,021.31
2015	25,267.00	7,839.74	20,927.55	21,734.62

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2017 are \$16.00.

Joint Insurance Pool – The Township is a member of the Professional Municipal Management Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Funds offer the following lines of coverage to its members:

- Comprehensive General Liability
- Property Damage
- Environmental Liability
- Workers' Compensation
- Employer's Liability
- USL & H
- Auto Physical Damage
- Flood
- Boiler and Machinery
- Environmental Legal Liability
- Employee Dishonesty
- Business Auto Liability
- Employment Practices Liability

Note 17: RISK MANAGEMENT (CONT'D)

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

- Excess Workers' Compensation
- Excess Employers Liability
- Excess USL & H
- Excess Harbor Marine/Jones Act
- Crime including Excess Public Employee and Public Official Coverage

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained at www.pmmjif.org and njmel.org.

Note 18: CONTINGENCIES

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

Tax Appeals - As of December 31, 2017, there were certain tax appeals on file against the Township related to tax years 2016 and 2017. The Township has estimated that the potential exposure to the Township from such appeals is approximately \$63,250.00.

Note 19: CONCENTRATIONS

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

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Date Introduced</u>	<u>Amount</u>
General Capital Fund:		
Various Capital Improvements and Other Related Expenses	6/14/2018	\$ 2,384,229.00
Water/Sewer Utility Capital Fund:		
Various Water and Sewer Utility Improvements and Other Related Expenses	6/14/2018	<u>1,700,000.00</u>
		<u>\$ 4,084,229.00</u>

Capital Debt Issuance - On May 22, 2018, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Bank to provide \$1,615,099.00, at no interest, from the fund loan, and \$535,000.00 at interest rates ranging from 3.0% to 5.0% from the I-Bank loan. The proceeds will be used to fund the installation of 4,222 replacement water meters with automatic transmitters and automatic transmitters on 550 water meters that were previously replaced, but were not equipped with an automatic meter reading system. Semiannual debt payments are due February and August, with the final maturity payment due August 1, 2037.

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

<u>Year</u>	<u>Water/Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 54,749.11	\$ 5,689.06	\$ 60,438.17
2019	102,123.66	20,687.50	122,811.16
2020	102,123.66	19,687.50	121,811.16
2021	102,123.66	18,687.50	120,811.16
2022	102,123.66	17,687.50	119,811.16
2023-2027	535,618.30	70,937.50	606,555.80
2028-2032	560,618.30	43,187.50	603,805.80
2033-2037	590,618.65	18,256.28	608,874.93
	<u>\$ 2,150,099.00</u>	<u>\$ 214,820.34</u>	<u>\$ 2,364,919.34</u>

The debt service requirements in the above schedule are not included in the schedules included in note 13.

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

*An opinion in substantially the following form
will be delivered at Closing, assuming no
material changes in facts or law*

___ __, 2019

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

Re: Township of Maple Shade, in the County of Burlington, New Jersey
\$ _____ General Obligation Bonds, Series 2019

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Maple Shade, in the County of Burlington, New Jersey (the "Township"), of its General Obligation Bonds, Series 2019 in the aggregate principal amount of \$ _____ (the "Bonds"), consisting of \$ _____ General Improvement Bonds and \$ _____ Water and Sewer Utility Bonds. The Bonds are general obligations of the Township and the full faith, credit and taxing power of the Township is available to pay the principal of and interest on the Bonds. The Bonds are dated ___ __, 2019 and mature on February 15 in the years and in the principal amounts and bear interest at the rates, payable on August 15, 2019 and semiannually thereafter on the first days of February and August in each year until maturity or earlier redemption, as follows:

Year	General Improvement Bonds	Water and Sewer Utility Bonds	Combined Bonds	Interest Rate
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				

The Bonds will be initially issued in book-entry form only in the form of one certificate for the principal amount of Bonds of each series maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or multiples of \$1,000 in excess thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Act"), and ordinances of the Issuer numbered 2011-03, 2011-04, 2011-05, 2011-06, 2012-09, 2012-10, 2013-10, 2013-11, 2014-14, 2015-13, 2016-07, 2016-08, 2017-11 and 2017-12 (collectively, the "Ordinances") and a resolution adopted by the Township Council of the Township on March 28, 2019 (the "Resolution"). The Bonds are issued for the purpose of financing and refinancing previously authorized projects as described in the Ordinances.

The Bonds are subject to redemption prior to maturity as described in the Resolution.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including: (a) copies of the Ordinances; (b) such matters of law, including, inter alia, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions, and documents as to various matters with respect to the issuance of the Bonds, as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied on the forms of the proceedings and other certifications of public officials to be executed and furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized, issued, executed and sold by the Issuer; the Ordinances and Resolution have been duly authorized and adopted by the Issuer; and the Bonds and the Ordinances and Resolution are legal, valid and binding obligations enforceable in accordance with their respective terms.

2. The Issuer has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Code. Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In our opinion, assuming

continuing compliance by the Issuer with its covenants, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

3. Under current law, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Issuer to pay the Bonds is unlimited, and, unless paid from other sources, the Issuer shall be obligated to levy ad valorem taxes upon all the taxable property within the Township of Maple Shade for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

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

Other than as set forth in Paragraphs 2 and 3, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

DECOTIIS, FITZPATRICK, COLE & GIBLIN, LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Maple Shade, in the County of Burlington, New Jersey (the "Issuer"), in connection with the issuance by the Issuer of \$_____ aggregate principal amount of General Obligation Bonds, Series 2019, consisting of \$_____ principal amount of General Improvement Bonds and \$_____ principal amount of Water and Sewer Utility Bonds (the "Bonds"). The Issuer covenants and agrees as follows:

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

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

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

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

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

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

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided, however that the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

“State” shall mean the State of New Jersey.

Section 3. Provision of Annual Reports.

(a) Not later than nine (9) months after the end of the Issuer’s fiscal year, beginning with the fiscal year ending December 31, 2019, the Issuer shall, or shall cause the Dissemination Agent to, provide to the MSRB, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information which has been made available to the public on the MSRB’s website or filed with the Securities and Exchange Commission; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a timely notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be provided pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be provided in the same manner as the Annual Report when they become available.

(b) The financial information and operating data consisting of information concerning the Issuer’s debt, overlapping indebtedness, tax rate, levy and collection data, property valuation

and fund balance of the type contained in the Official Statement dated _____, 2019, pertaining to the sale of the Bonds.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the Bonds (each, a “Listed Event”):

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of holders of the Bonds, 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 Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Bonds, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Issuer shall promptly file, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, a notice of such occurrence with the MSRB through EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution.

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

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

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

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

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

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

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

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

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

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2019

TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Township of Maple Shade, in the County of Burlington, New Jersey

Name of Bond Issue: \$_____ aggregate principal amount of General Obligation Bonds, Series 2019, consisting of: \$_____ General Improvement Bonds and \$_____ Water and Sewer Utility Bonds

Dated Date: _____, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated _____, 2019. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

TOWNSHIP OF MAPLE SHADE, IN THE
COUNTY OF BURLINGTON, NEW
JERSEY

By: _____
Name: _____
Title: _____