

**NOTICE OF SALE
TOWNSHIP OF MOUNT LAUREL,
IN THE COUNTY OF BURLINGTON, NEW JERSEY
\$25,545,000 GENERAL OBLIGATION BONDS, SERIES 2019;
(Book-Entry-Only) (Callable)**

ELECTRONIC PROPOSALS (the "Proposals"), via BiDCOMP/PARITY Competitive Bidding System ("PARITY") only, will be received in the manner described below by the Chief Financial Officer of the Township of Mount Laurel, in the County of Burlington, New Jersey (the "Township"), on **Thursday, February 14, 2019 until 11:00 a.m.**, New York City time for the \$25,545,000 General Obligation Bonds (the "Bonds"). Following the receipt of bids for each series of Bonds, the Township will announce the successful bidder for the Bonds. Bidders must bid on both series of Bonds and are required to submit their Proposal for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Terms of the Bonds

The Bonds will be dated the date of delivery (which is expected to be March 4, 2019), and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable semi-annually on March 1st and September 1st in each year commencing September 1, 2019, until maturity or earlier redemption. The Bonds will mature, subject to prior redemption, on March 1st in the years and in the amounts set forth below:

\$25,545,000 GENERAL OBLIGATION BONDS, SERIES 2019

GENERAL OBLIGATION BONDS

Dated	Amount*
3/1/2020	\$900,000
3/1/2021	\$900,000
3/1/2022	\$1,200,000
3/1/2023	\$1,555,000
3/1/2024	\$1,600,000
3/1/2025	\$1,650,000
3/1/2026	\$1,705,000
3/1/2027	\$1,775,000
3/1/2028	\$1,750,000
3/1/2029	\$1,800,000
3/1/2030	\$1,800,000
3/1/2031	\$1,800,000
3/1/2032	\$1,800,000
3/1/2033	\$1,800,000
3/1/2034	\$1,800,000
3/1/2035	\$1,710,000
TOTALS	\$25,545,000

* Subject to Adjustment as provided herein.

The Township reserves the right to increase or decrease the aggregate principal amount of the Bonds by an amount not to exceed ten percent (10%) as the Township deems necessary or advisable in order to accomplish the purposes for which the Bonds were issued. No single maturity will be increased or decreased more than ten percent (10%). If the Township elects to increase or decrease the aggregate principal amount of the Bonds and the proposal of the Successful Bidder contains original issue premium for any maturity or maturities of the Bonds, the final purchase price of the Bonds will be adjusted to reflect the total dollar amount of original issue premium on the principal amount of each maturity or maturities of the Bonds. No increase or decrease in the aggregate principal amount of the Bonds as described in this paragraph will affect the basis upon which the Township determines to award the Bonds to the Successful Bidder as described below.

Term Bond Option

The Bonds will be issued as serial bonds. There is no option for term bonds.

Optional Redemption Provisions

The Bonds maturing prior to March 1, 2028 are not subject to redemption prior to maturity. The Bonds maturing on or after March 1, 2028 are subject to redemption prior to maturity at the option of the Township, as a whole at any time or in part from time to time on or after March 1, 2027 in such order of maturity as the Township may direct, 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 first class mail postage prepaid to the registered owners of the Bonds not less than thirty (30) days but not more than sixty (60) days prior to the redemption date. So long as the Bonds are in book-entry form such notice will be mailed to DTC as the registered owner of the Bonds. Any failure of DTC to advise any of its participants or any failure of any participant to notify any beneficial owner of any redemption shall not affect the validity of the redemption proceedings.

Security for the Bonds

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 taxable real property within the Township without limitation as to rate or amount.

Book-Entry Only System

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 the aggregate principal amount of Bonds maturing in each year 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 certificate 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 multiple of \$1,000 in excess thereof through book entries made on the books and records of DTC and its participants.

Payments of principal and interest on the Bonds will be made 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.

Electronic Bidding Procedures

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:00 a.m., New York City time, for the \$25,545,000 General Obligation Bonds on February 14, 2019, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. 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 purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to 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 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 York City Time) on the last business date prior to the bid date set forth above.

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

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

Bid Specifications

Each proposal submitted must name the rate 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 for the Bonds shall not exceed three per centum (3.00%). Each proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than \$25,545,000 nor greater than \$28,099,500.

Award, Delivery and Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed, as to each bid, 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. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the Township under any legally acceptable proposal. If two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder." It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about March 4, 2019 at the offices of Thomas J. Hastie, Jr., bond counsel to the Township ("Bond Counsel"), in Trenton, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT

FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Change of Bid Date and Closing Date

The Township reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor (“TM3”) (www.tm3.com). In addition, the Township reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3. A postponement of the bid date will be announced via TM3 not later than 11:00 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by 12:00 Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids. On any such alternative date and time for receipt of bids, the Township will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

Right to Reject Bids; Waive Irregularities

The right is reserved to reject all bids, and any bid not complying with the terms of this Notice of Sale will be rejected. The Township reserves the right to reject any or all Proposals and so far as permitted by law, to waive any irregularity or informality in any or all Proposals.

Good Faith Deposit

A good faith deposit (the “Deposit”), in the form of a certified, cashier’s or treasurer’s check or wire transfer in the amount of \$510,900 is required for each bid for the Bonds to be considered. If a check is used, it must be a certified, cashier’s or treasurer’s check and must be provided to the Township by 10:45 a.m., New Jersey time, on the Bid Date at the address referred to above. If a wire transfer is used, the transfer must be completed and receipt confirmed by the Township by 10:45 a.m., New Jersey time, on the Bid Date. Bidders sending a wire transfer should contact Tara Krueger, Chief Financial Officer at 856-234-0001 Ext: 1210 for wire instructions and any wires must clearly identify the Bidder. The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the Township to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to

be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

CUSIP Numbers

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 CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder.

Undertakings of the Successful Bidder

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW. THE SUCCESSFUL BIDDER MUST SELL TO THE PUBLIC 10% OR MORE IN PAR AMOUNT OF THE RESPECTIVE SERIES OF THE BONDS FROM EACH MATURITY THEREOF AT THE INITIAL REOFFERING PRICES.

The Successful Bidder shall within thirty (30) minutes after being notified of the award of the Bonds, advise the Township in writing (via facsimile transmission or email) of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). The Successful Bidder must, by facsimile transmission or delivery received by the Township within twenty-four (24) hours after notification of the award, furnish the following information to the Township to complete the Official Statement in final form, as described below:

A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the Successful Bidder advised the Township that the Bonds were initially offered to the public).

B. The identity of the underwriters if the Successful Bidder is part of a group or syndicate.

C. Any other material information that the Township determines is necessary to complete the Official Statement in final form. After the award of the Bonds, the Township will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the Successful Bidder may reasonably request. The Successful Bidder will be responsible to the Township in all aspects for the accuracy and completeness of information provided by such Successful Bidder with respect to such reoffering.

Determination of Issue Price for the Bonds: In the event the Township receives at least three (3) bids for the Bonds, then the Issue Price for the Bonds shall be established

based on the reasonably expected initial offering prices of the Bonds as of the Sale Date (the "Expected Offering Prices"). The Expected Offering Prices shall consist of the prices for each maturity of the Bonds used by the winning bidder in formulating its bid to purchase the Bonds. The winning bidder shall be required to deliver on the Delivery Date a certificate to such effect, and provide to the Township, in writing, the Expected Offering Prices as of the Sale Date. In the event the Township receives fewer than three (3) bids for the Bonds, then the Issue Price for the Bonds shall be established based on the first price at which at least 10% of each maturity of the Bonds was sold to the Public (as defined below). The winning bidder shall be required to deliver on the Delivery Date a certificate to such effect, and provide to the Township, in writing, evidence satisfactory to Bond Counsel to the Township of such sales prices for each maturity of the Bonds. In the event that the winning bidder has not sold at least 10% of each maturity of the Bonds to the Public as of the Delivery Date (each, an "Unsold Maturity"), the winning bidder shall (i) provide to the Township, in writing, on the Delivery Date, the Expected Offering Prices for each Unsold Maturity and a certificate regarding same and (ii) have a continuing obligation to provide to the Township, in writing, evidence satisfactory to Bond Counsel to the Township of the first price at which at least 10% of each Unsold Maturity is sold to the Public, contemporaneous with each such sale, until at least 10% of all such Unsold Maturities have been sold to the Public. For purposes of this paragraph, "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. The term "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (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). A copy of the form of Issue Price certification appears as Exhibit A to this Notice of Sale.

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of Thomas J. Hastie, Jr., currently of the law firm of Capehart & Scatchard, P.A. Trenton, New Jersey, Bond Counsel to the Township, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the Township, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation.

Concerning the Preliminary Official Statement

The Township has issued an Official Statement with respect to the sale of the Bonds in preliminary form (the “Preliminary Official Statement”) which the Township has deemed final as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for certain omissions permitted thereunder and except for changes permitted by other applicable law. The Preliminary Official Statement may be accessed via the Internet at www.Govdebt.net on or about February 5, 2019. A printed version is also available upon request made to the Chief Financial Officer of the Township at 856-234-0001 Ext: 1210.

Official Statement

The Township agrees to provide the Successful Bidder with a reasonable number of copies (not to exceed 50) of the final Official Statement adopted by the Township in relation to the sale by the Township of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the Township, with any additional copies which the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder.

Continuing Disclosure

In order to assist the Successful Bidder in complying with Rule 15c2-12, the Township agrees to deliver on the Closing Date a Continuing Disclosure Certificate to be dated as of the Closing Date pursuant to which the Township shall agree to provide at the times and to the information repositories and other persons described in Rule 15c2-12 the financial or operating data required to be disclosed on a continuing basis pursuant to Rule 15c2-12.

Dated: February 6, 2019

Tara Krueger, Chief Financial Officer
Township of Mount Laurel, in the
County of Burlington, New Jersey

EXHIBIT A

**RECEIPT FOR BONDS AND
CERTIFICATION OF PURCHASER**

I, the undersigned, acting on behalf of [UNDERWRITER] (the "Purchaser"), HEREBY ACKNOWLEDGE receipt of \$25,545,000 aggregate principal amount of General Obligation Bonds (the "Bonds") of the Township of Mount Laurel, in the County of Burlington, New Jersey (the "Township"), in consideration for which the Purchaser has paid to the Township the sum of \$ _____ .00. The Purchaser HEREBY CERTIFIES that:

1. PLEASE SELECT THE APPROPRIATE NARRATIVE

[The Township has determined that the Bonds were sold at a public sale and the Township received three (3) qualifying bids from underwriters. As such, the Issue Price for the Bonds was \$ _____, which was established based on the reasonably expected initial offering prices of the Bonds as of February 14, 2019 (the "Sale Date") (the "Expected Offering Price"). The Expected Offering Price consists of the prices for each maturity of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.]

Or

[The Township has determined that the Bonds were sold at a public sale and the Township did not receive three (3) qualifying bids from underwriters. The Issue Price for the Bonds is \$ _____, and was established based on the first price at which at least 10% of the principal amount of each maturity of the Bonds was sold to the Public (as defined below). Such sale of at least 10% of the principal amount of each maturity of the Bonds was achieved on _____, 2019.] A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate.

Or

[The Township has determined that the Bonds were sold at a public sale and the Township did not receive three (3) qualifying bids from underwriters. As of this date [DATE OF CLOSING], the Purchaser has not sold at least 10% of the principal amount of each maturity of the Bonds to the Public. As of this date, the Expected Offering Price for the Bonds is \$ _____ and the Purchaser hereby assumes a continuing obligation to provide to the Township, in writing, evidence satisfactory to Bond Counsel to the Township of the first price at which at least 10% of the principal amount of each maturity of the Bonds is sold to the Public, contemporaneous with such sale. Such obligation shall be satisfied by the execution of the following:

On [SALE DATE], the Purchaser was awarded the \$25,545,000 aggregate principal amount of General Obligation Bonds of the Township of Mount Laurel, in the County of Burlington, New Jersey (the "Township"). The Township has determined that the Bonds were sold at a public sale and the Township did not receive three (3) qualifying bids from underwriters. The Purchase Price for the Bonds was \$ _____ and was paid by the Purchaser on _____, 2019 (the "Closing Date"). As of the Closing Date, the Purchaser had not yet sold 10% of the principal amount of each maturity of the Bonds to the Public. As of the date of this certificate, the Purchaser hereby certifies that it has sold 10% of the principal amount of the 20__ maturity of the Bonds to the Public at an Issue Price of \$ _____. A copy of the pricing wire or equivalent communication for the 20__ maturity of the Bonds is attached to this Certificate. **{{FOR FINAL MATURITY SOLD}}** Based on the revised Issue Price for the 20__ maturity of the Bonds (the last maturity in which 10% of the principal amount for such maturity has been sold), together with the confirmed Issue Prices for the other maturities in which 10% of each maturity has been sold, and using the methodology set forth in paragraph 3 of the Purchaser's certification dated as of the Closing Date, the yield on the Bonds is _____%]

For purposes of the above paragraph(s), "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. The term "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (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).

2. The aggregate total anticipated compensation to all entities acting as underwriter shall be \$ _____ (representing the Issue Price of \$ _____ less the purchase price of \$ _____).

3. At the direction of Bond Counsel, we calculated the yield on the Bonds, using on a 360-day year basis and compounding interest semi-annually, and further using the present-value method and an Issue Price of \$ _____. The yield on the Bonds is _____%.

4. Beneficial interests in the Bonds may be purchased in amounts of not less than \$5,000 or any integral multiple thereof, except where necessary also in amount of \$1,000 (or such other odd denomination where necessary).

5. We have advised the Township that the CUSIP numbers assigned to the Bonds appears on Exhibit A hereto.

This is a Preliminary Official Statement "deemed final" within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

NEW ISSUE

RATING: (See "RATING" herein)

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 6, 2019

In the opinion of Capehart and Scatchard, P.A., Bond Counsel to the Township, based on certifications of the Township (as hereinafter defined) and assuming continuing compliance with its covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds (as hereinafter defined), interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. For certain corporate Holders, interest on the Bonds may indirectly be subject to federal alternate minimum tax for tax years beginning before January 1, 2018. In the opinion of Bond Counsel, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a full discussion.

\$25,545,000
TOWNSHIP OF MOUNT LAUREL
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2019
(Book-Entry-Only) (Callable)

The Township of Mount Laurel, County of Burlington, New Jersey ("Township") is issuing \$25,545,000 aggregate principal amount of its General Obligation Bonds, Series 2019 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective March 1 maturity dates upon presentation and surrender of the Bonds at the office of the Township, as paying agent ("Paying Agent"). Interest on the Bonds is payable semi-annually on March 1 and September 1 ("Interest Payment Dates"), commencing September 1, 2019 in each year until maturity or earlier redemption thereof. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by the Township or its hereafter designated paying agent, if any, directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds. 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 Direct Participant to receive payment of the principal of and interest on such Bond.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2009-21, 2011-12, 2014-04, 2016-05 and 2017-12 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 19-R-35 adopted by the Township on January 28, 2019; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on February __, 2019.

Proceeds of the Bonds will be used, along with other available funds of the Township in the amount of \$3,218, to: (i) refund, on a current basis, a \$25,545,000 aggregate portion of the bond anticipation notes of the Township originally issued in the aggregate principal amount of \$25,548,218, dated March 6, 2018 and maturing March 5, 2019 (the "Prior Notes"); and (ii) pay the costs associated with the issuance of the Bonds.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by George M. Morris, Esquire, Solicitor. NW Financial Group, LLC, Hoboken, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about March 4, 2019.

MATURITY SCHEDULE

\$25,545,000 GENERAL OBLIGATION BONDS, SERIES 2019

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2020	\$900,000	%	%	2028	\$1,750,000	%	%
2021	900,000			2029	1,800,000		
2022	1,200,000			2030	1,800,000		
2023	1,555,000			2031	1,800,000		
2024	1,600,000			2032	1,800,000		
2025	1,650,000			2033	1,800,000		
2026	1,705,000			2034	1,800,000		
2027	1,775,000			2035	1,710,000		

**TOWNSHIP OF MOUNT LAUREL
COUNTY OF BURLINGTON, NEW JERSEY**

**Mayor and Township Council
Kurt Folcher, Mayor
Linda Bobo, Deputy Mayor
Irwin Edelson
Kareem Pritchett
Stephen Staglik**

**Township Clerk/ Manager
Meredith Tomczyk**

**Chief Financial Officer
Tara Krueger**

**Solicitor
George M. Morris, Esquire
Mount Laurel, New Jersey**

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

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

**Municipal Advisor
NW Financial Group, LLC
Hoboken, New Jersey**

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor 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 representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or any underwriter.

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
AUTHORIZATION FOR THE BONDS	1
PURPOSE OF THE ISSUE	1
DESCRIPTION OF THE BONDS	2
General	2
Redemption Provisions	2
Book-Entry-Only System	3
Discontinuance of Book-Entry-Only System	5
SECURITY FOR THE BONDS	6
GENERAL INFORMATION REGARDING THE TOWNSHIP	6
General	6
Financial	6
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT	7
Local Bond Law	7
Local Fiscal Affairs Law	8
Local Budget Law	8
Miscellaneous Revenues	10
Real Estate Taxes	10
Deferral of Current Expenses	11
Budget Transfers	11
Capital Budget	11
Related Constitutional and Statutory Provisions	12
Rights and Remedies of Owners of Bonds	12
Limitation of Remedies Under Federal Bankruptcy Code	13
TAXATION	13
Procedure for Assessment and Collection of Taxes	13
Tax Appeals	14
TAX MATTERS	14
Exclusion of Interest on the Bonds from Gross Income for Federal Tax Purposes	14
Original Issue Discount	16
Original Issue Premium	16
Additional Federal Income Tax Consequences of Holding the Bonds	17
Changes in Federal Tax Law Regarding the Bonds	17
State Taxation	17
LITIGATION	18
RATING	18
PREPARATION OF OFFICIAL STATEMENT	18
UNDERWRITING	19
LEGALITY FOR INVESTMENT	19
NO DEFAULT	19
MUNICIPAL ADVISOR	20
CONTINUING DISCLOSURE	20
LEGAL MATTERS	21
ADDITIONAL INFORMATION	21
APPENDIX A: CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF MOUNT LAUREL	
APPENDIX B: AUDITED FINANCIAL STATEMENTS AND SELECTED FINANCIAL INFORMATION OF THE TOWNSHIP OF MOUNT LAUREL	
APPENDIX C: FORM OF BOND COUNSEL OPINION	
APPENDIX D: FORM OF TOWNSHIP CONTINUING DISCLOSURE CERTIFICATE	

OFFICIAL STATEMENT

\$25,545,000
TOWNSHIP OF MOUNT LAUREL, COUNTY OF BURLINGTON, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2019
(Book-Entry-Only) (Callable)

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Mount Laurel, County of Burlington, New Jersey ("Township") of its \$25,545,000 aggregate principal amount of its General Obligation Bonds, Series 2019 ("Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2009-21, 2011-12, 2014-04, 2016-05 and 2017-12 ("Bond Ordinances"), duly and finally adopted by the Township and published in accordance with the requirements of the Local Bond Law; (iii) Resolution 19-R-35 adopted by the Township on January 28, 2019; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on the date hereof.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used, along with other available funds of the Township in the amount of \$3,218, to: (i) refund, on a current basis, a \$25,545,000 aggregate portion of the bond anticipation notes of the Township originally issued in the aggregate principal amount of \$25,548,218, dated March 6, 2018 and maturing March 5, 2019 (the "Prior Notes"); and (ii) pay the costs associated with the issuance of the Bonds.

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

General Improvement Bonds

Bond Ordinance	Purpose/ Improvement	Original Amount Authorized	Prior Notes Outstanding	Bonds to be Issued
2009-21	Various Capital Improvements	\$341,940	\$341,940	\$341,940
2011-12	Various Capital Improvements	2,241,580	2,060,580	2,060,580
2014-04	Various Capital Improvements	7,287,448	7,082,448	7,079,230
2016-05	Various Capital Improvements	8,715,000	8,715,000	8,715,000
2017-12	Various Capital Improvements	7,348,250	7,348,250	7,348,250
TOTAL		\$25,934,218	\$25,548,218	\$25,545,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$25,545,000.

The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on March 1 and September 1 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing September 1, 2019, in each year until maturity or earlier redemption thereof. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on March 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

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

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

Redemption Provisions

The Bonds maturing prior to March 1, 2028 are not subject to redemption prior to maturity. The Bonds maturing on or after March 1, 2028 are subject to redemption prior to maturity at the option of the Township, as a whole at any time or in part from time to time on or after March 1, 2027, in such order of maturity as the Township may direct 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

Paying Agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System ¹

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing

¹ Source: The Depository Trust Company

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

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

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

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

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

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

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

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

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

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

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the

offices of the Township, or the Paying Agent; (ii) the transfer of the Bonds may be registered on the books maintained by the Township, or the Paying Agent for such purposes only upon the surrender thereof to the Township, or the Paying Agent together with the duly executed assignment in form satisfactory to the Township, or the Paying Agent; and (iii) for every exchange or registration of transfer of the Bonds, the Township, or the Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE BONDS

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2017, 2016, 2015, 2014 and 2013. The audited financial data was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

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

Local Bond Law

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

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

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

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

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

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The Notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of

the tenth fiscal year next following the date of the original note. After the third year, the amount of the Notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the Notes are issued.

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2017 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units. The statutory filing deadline of the Annual Compiled Financial Statement for the year ended December 31, 2018 has been extended, by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, to March 1, 2019.

Local Budget Law

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

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service

requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

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

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

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

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

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

solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

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

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

Rights and Remedies of Owners of Bonds

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

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

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and

assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased

properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was in 2013 effective for the 2014 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

In the opinion of Capehart & Scatchard, P.A., Bond Counsel to the Township, assuming continuing compliance by the Township with its covenants pertaining to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), pertaining to the issuance of the Bonds, and subject to certain provisions of the Code that are described below, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel to the Township, interest on the Bonds and any gain from the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act.

The Code contains a number of provisions that apply to the Bonds, including restrictions relating to the use or investment of the proceeds of the Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Bonds being includable in gross income for federal income tax purposes retroactive on the date of issuance of the Bonds. The Township has covenanted to comply with these requirements. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to the changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest thereon.

The Code imposes an alternative minimum tax on individuals and corporations. Interest received with respect to certain types of private activity bonds issued after August 7, 1986 is considered a tax preference subject to the alternative minimum tax. As the Bonds are not private activity bonds, interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. For corporations with tax years beginning after December 31, 2017, the corporate alternative minimum tax was repealed by federal legislation, Public Law No. 115-97 (the "Tax Cuts and Jobs Act") enacted on December 22, 2017, effective for tax years beginning after December 31, 2017. For tax years beginning before January 1, 2018, interest on the Bonds is not an item of tax preference for purposes of the corporate alternate minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on Bonds held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal alternative minimum tax for tax years beginning before January 1, 2018 because of its inclusion in the adjusted current earnings of a corporate holder.

Section 265(b) of the Code generally denies to banks, thrift institutions and other financial institutions any deduction for that portion of interest expense incurred or continued to purchase or carry tax-exempt obligations.

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

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the County or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the

Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as

having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE POTENTIAL IMPACT OF ANY

PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

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

LITIGATION

Upon delivery of the Bonds, the Township shall furnish an opinion of its Solicitor, George M. Morris, Esquire, Mount Laurel, New Jersey, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such opinion shall state that there is no litigation of any nature now pending by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, which has not been otherwise disclosed in this Official Statement.

RATING

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

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that such 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.

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), at a purchase price of \$_____ which represents a par amount of \$25,545,000 plus a bid premium of \$_____ pursuant to a Certificate of Determination and Award, dated February __, 2019. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields [or prices] set forth on the inside front cover page 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 may offer and sell the Bonds to certain dealers (including dealers depositing bonds into investment trusts) at yields higher or prices lower than the public offering yield or prices set forth on the inside front cover page of this Official Statement, and such public offering yields or prices may be changed, from time to time, by the Underwriter without prior notice.

LEGALITY FOR INVESTMENT

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

NO DEFAULT

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

MUNICIPAL ADVISOR

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

CONTINUING DISCLOSURE

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

In the previous five (5) years, the Township failed to timely file certain material event notices in connection with various underlying and bond insurer rating changes on bonds previously issued by the Township. In addition, while certain audit and operating data was available through the EMMA website timely, the information was not always linked to all applicable CUSIPS for the Township's undertakings.

Additionally, the Township entered into prior undertakings in connection with its 2005 and 2006 general obligation bonds (the "2005 and 2006 Bonds"). The continuing disclosure agreements for the 2005 and 2006 Bonds required the Township to prepare selected financial, statistical and demographic information and file such information annually. The Township did make annual filings as required by such continuing disclosure agreements, however, such annual filings omitted two charts later identified as required information. These omissions were corrected in the Township's 2016 Annual Report and are contained in the Township's current filings. The Township, however, did not file a failure to file event notice for the years 2013-2015 when the updated report was filed, and the 2005 and 2006 Bonds were redeemed in 2015 and 2016, respectively.

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Board may affect the future liquidity of the Bonds.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in the Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

LEGAL MATTERS

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

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Tara Krueger, Chief Financial Officer, Township of Mount Laurel, 100 Mount Laurel Road, Mount Laurel, New Jersey, (856) 234-0001 x 1210.

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

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

TOWNSHIP OF MOUNT LAUREL, NEW JERSEY

By: _____
TARA KRUEGER, Chief Financial Officer

Dated: February __, 2019

APPENDIX A

**CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING
THE TOWNSHIP**

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township was incorporated in 1872. It is located in the Northwestern section of the County, bordered on the north by Moorestown Township, on the south by Evesham Township and on the west by Cherry Hill Township in Camden County. The land area of the Township is approximately 22.15 square miles with a resident population of 41,864, according to the 2010 census.

The Township encompasses the unincorporated communities of Amberfield, Ashurst Glen, Autumnwood Estates, Bedford Walk, Bedford Walk Estates, Bedford Walk Manor, Birchfield, Bobby's Hunt, Bridlewood, Courts of Brookfield, Cambridge Estates, Canterbury Greene, Chalfonte Estates, Chamonix, Christopher's Crossing, Claridge Estates, Connelly Tract, Country Club Villas, Countryside Farms, Devoonshire, Eagle Pointe, Enclave, Fairfield Estates, Fox Run, Grande at Springville, Hartford, Hartford Woods, Heather Glen, Hickory Knoll, Hidden Lake Estate, Holiday-on-the-Green, Holiday Village, Holiday Village East, Hunters Crossing, Innisfree, Ivy Ridge, Jerrick Court, Krysta Court, Larchmont (including Devonshire Village, the Lakes and Brentwood Village), Larchmont Estates, Larchmont Manor, Laurel Creek, Laurel Knoll, Laurel Knoll East, Laurel Place, Laurel Pond, Laurel Ridings, Laurelton, Laurelwood, Ethel R. Lawrence, Longwood, Madison Place, Maple Glen, Masonville, Michaelson's Gate, Mill Run, Park Place, Parkers Creek, Pembroke, Pennoak, Pheasantmere, Ramblewood, Ramblewood Farms, Ramblewood Mews, Ramblewood-on-the-Green, Rancocas Pointe, Rancocas Woods, Ravenscliff, Rolling Glen, Saratoga Farms, Saybrook, Signature Place, Springville, Spring Valley Estates, Stonegate, Stone Mill Estates, Stoney Hill, Tara Estates, Timbercrest, Tricia Meadows, Trotter's Landing, Union Mill Farms, Union Mill Terrace, Wellesley Reserve, Wilderness Run, Wildflowers, Willowmere, Wellsey Hunt and Wellington Estates.

Police

The Township has a full-time police department that has been accredited by the New Jersey State Association of Chiefs of Police since 2009. The department's professional and well trained staff consists of approximately seventy (70) sworn officers and is arranged into four divisions; Office of The Chief of Police, Operations Division, Administrative Division and the Office of Professional Standards. Many of the department's support and logistical functions are handled by it's seven (7) civilian employees, one (1) full time and two (2) part time Special Law Enforcement Officers. Dispatch and 911 services for the Mount Laurel Police Department are handled by Burlington County Central Communications.

Emergency Medical Services

Mount Laurel Township Emergency Medical Services (MLEMS) is a combination career and volunteer department that provides basic life support ambulance services to the township. MLEMS is a NJ Department of Health Licensed Ambulance Service and is funded and operated as a Township Department. The department is composed of approximately 75 volunteers and 40 career emergency services personnel operating under the direction of a Career Chief and Deputy Chief that respond from one of three stations; Station 369, (the Rodger Sharp Building on Masonville Road), Station 368, (the Charles Kritz Building on South Church Street) and Station 367 (MLFD Station 362 on Church Road). MLEMS, Inc., is the voluntary component of the combination department that provides volunteer ambulance staffing from 6:30 PM to 5:30 AM Monday through Friday and 24 Hours on the weekends in addition to all-call EMS assignments during career staff operation hours. The career staff are township employees that are scheduled to provide staffing for three (3) ambulances five (5) days a week from 5:30 AM to 7:00 PM and one ambulance on the weekends from 5:30AM to 6:30PM. MLEMS minimal staffing is two (2) basic life support ambulances staffed by a minimum of two (2) EMTs operating one (1) ambulance out of each of the two (2) EMS Stations, an on-call EMS crew, an EMS Supervisor and a Duty EMS Chief. Mount Laurel Township EMS operates seven (7) ambulances, three (3) first responder/command vehicles, a disaster medical supply trailer, an Incident Rehabilitation Trailer, a 4x4 Pickup Truck, three (3) Bariatric Transport Units and Training utility vehicle.

Emergency Management

Mount Laurel Office of Emergency Management (MLOEM) is a Township Department that is responsible for local emergency preparedness, response, recovery and mitigation following an “All-Hazard” approach to community safety. MLOEM is staffed by an Emergency Management Coordinator, three (3) Deputy Coordinators and sixteen (16) Annex Coordinators. MLOEM operates a state of the art, fixed facility, Emergency Operations Center and communicates with the community thru Social Media, Nixle and Swift Reach Reverse 9-1-1 System. Mount Laurel Township is a FEMA EMAA Funded Town. MLOEM has a supplemental staff of volunteers including a Community Emergency Response Team (CERT) with over twenty-five (25) members. MLOEM also has a three (3) SUV’s and two (2) trailers stocked with disaster supplies to operate a one hundred ten (110) person Shelter Facility and a Medical Counter Measures – Point of Distribution (POD). MLOEM in cooperation with the Local Emergency Planning Committee (LEPC) maintains a NJ State Approved Township Emergency Operation Plan which is updated and tested annually. Our LEPC is comprised of representatives from OEM, Police, Fire, EMS, MUA, Public Works, Board of Education, Township Management, Mayor and Rowan College Public Safety. MLOEM also participates in the Burlington County Multi-Jurisdictional All Hazards Mitigation Plan.

Public Works

The Township’s Department of Public Works is headed by a Director and is responsible for weekly trash collection which is outsourced to a private company, road repair, snow removal, leaf pick up, brush removal and maintenance and upkeep of all public buildings and parks. In addition, the Township participates in a recycling program for glass, paper, aluminum and used motor oil. There are a total of forty-one (41) employees in the Township's Department of Public Works who operate various equipment owned by the Township.

Recreation

Twenty-six (26) parks and other various recreational areas are located in the Township including nineteen (19) tennis courts, twenty-six (26) baseball fields, fourteen (14) tot lots, seventeen (17) basketball courts, twenty-four (24) soccer fields, three (3) volleyball courts and two (2) football fields. The Township maintains a senior citizen building for the Township's senior citizens. All parks and recreational areas are maintained by the Township's Parks and Recreation Division. The Township has four (4) large parks, Laurel Acres, Trotters, Spencer and Memorial Complex. Laurel Acres, a full ninety-eight (98) acre recreational facility, has six (6) soccer fields, seven (7) ball fields, walking/biking paths, two (2) fenced-in dog runs, two (2) pavilions, barbecue areas, a lake, volleyball courts, playground equipment, a maintenance building and rest rooms. Trotters is situated on one hundred fifty three (153) acres, has five (5) soccer fields. The Memorial Multi-Sport facility has two (2) turf-fields, two (2) multipurpose grass fields and a concession stand utilized by football, lacrosse, field hockey and soccer. Spencer Park is a ten (10)-acre section of Rancocas State Park leased and maintained by the Township and contains five (5) softball fields. The PAWS Sports Complex is owned by the board of education and is situated on thirty-four (34) acres, has two (2) football/soccer fields, two (2) ball fields, four (4) sand volleyball courts and one (1) basketball court. In the last fifteen (15) years, the Township purchased over 741 acres of land for open space purposes.

Library

The Township’s Free Public Library opened its doors in September 1975 and the building was expanded in 1992. The library currently houses 148,274 volumes of books, audio books, DVDs, CDs and other formats. The library provides access to 639,106 digital items as well as programs and activities for the community. There are currently 19,020 active library card holders.

Mount Laurel Municipal Utilities Authority

The Mount Laurel Municipal Utilities Authority ("MUA") furnishes water and sewer services to Township residents. The MUA was organized by an ordinance of the Township Council on December 6, 1965.

In conjunction with the Utility System Revenue Bond Resolution dated July 1, 1992, as amended and supplemented, the MUA has entered into a service agreement with the Township. In the unlikely event that it becomes necessary, the Township has agreed to advance to the MUA sufficient monies to eliminate any deficiency in the MUA's revenues required for its operation and administrative expenses, including certain debt service requirements, and to meet certain coverage requirements. Any monies advanced in accordance with this agreement would be refunded at such time as the MUA deems appropriate.

The computation of sufficiency of revenues of the MUA for the years ended June 30, 2018, 2017, 2016, 2015, and 2014 as defined by the Utility System Revenue Bond Resolution is as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating Revenues:					
Utility Service Charges	\$18,778,311	\$19,230,637	\$19,267,645	\$18,924,464	\$17,726,908
Connection Fees	718,515	291,795	2,235,022	832,266	1,031,044
Investment and Misc. Income	<u>822,036</u>	<u>743,454</u>	<u>664,556</u>	<u>537,994</u>	<u>586,080</u>
Total Revenues	<u>20,318,862</u>	<u>20,265,886</u>	<u>22,167,223</u>	<u>20,294,724</u>	<u>19,344,032</u>
Operating Expenses:					
Cost of Providing Services	11,706,337	13,046,665	11,471,478	10,867,126	10,445,476
Administrative	2,262,778	2,368,285	2,203,608	1,946,125	1,918,110
Other Operating Expenses	<u>380,257</u>	<u>374,070</u>	<u>447,716</u>	<u>498,892</u>	<u>578,390</u>
Total Operating Expenses	<u>14,349,372</u>	<u>15,789,020</u>	<u>14,122,802</u>	<u>13,312,144</u>	<u>12,941,976</u>
Excess of Revenues	5,969,490	4,476,866	8,044,421	6,982,581	6,402,056
110% of Current Fiscal Year's Annual Debt Service Requirement	<u>2,299,425</u>	<u>2,633,169</u>	<u>2,629,074</u>	<u>2,972,638</u>	<u>3,866,251</u>
Sufficiency of Revenues	<u>\$3,670,065</u>	<u>\$1,843,696</u>	<u>\$5,415,347</u>	<u>\$4,009,943</u>	<u>\$2,535,805</u>

The Township approved a resolution on June 11, 2018 approving the plans of the MUA to undertake multiple capital improvements and consenting in accordance with and pursuant to the aforementioned service agreement between the Township and the MUA authorizing Utility System Revenue Bonds or Notes not to exceed \$17,500,000.

Township Employees

	<u>2018</u>	<u>2017</u>	<u>December 31,</u>		<u>2014</u>
			<u>2016</u>	<u>2015</u>	
Full Time	165	157	150	150	154
Part Time	<u>80</u>	<u>59</u>	<u>54</u>	<u>53</u>	<u>55</u>
	<u>245</u>	<u>216</u>	<u>204</u>	<u>203</u>	<u>209</u>

Employee Collective Bargaining Units

The Township has six collective bargaining agreements with organizations representing the Police Department, Public Works Department, EMS, Clerical and Supervisor of Administrative Staff. Members of these collective bargaining units are represented by POA, SOA, CWA, AFSCME, and

IAFF. The POA, SOA and CWA Supervisors contracts expire on December 31, 2019. The IAFF agreement for EMS expires December 31, 2020. The Public Works AFSCME-AFL-CIO agreement expired December 31, 2018 and the CWA Clerical agreement expired December 31, 2016; both these agreements are currently under negotiations.

Compensated Absences

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year.

The Township compensates employees for unused sick leave and vacation days upon termination if they have ten years of service or retirement. The current contract provides for compensated pay of 30%, 40% or 50% of sick days accumulated with a maximum pay-out of thirty or forty days' pay or \$15,000.00 depending on which contract. All unused vacation days are paid out upon termination or retirement. Compensation is paid at the rate of pay upon termination or retirement.

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: Financial Statements of the Township, Note 7 to Financial Statements.

Township Population(1)

2010 Federal Census	41,864
2000 Federal Census	40,221
1990 Federal Census	30,270
1980 Federal Census	17,164
1970 Federal Census	11,221

Selected Census 2017 Data for the Township(1)

Median household income	\$92,826
Median family income	109,839
Per capita income	48,398

Labor Force(2)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township					
Labor Force	22,879	22,736	22,605	22,288	23,490
Employment	22,067	21,889	21,592	21,109	21,945
Unemployment	812	847	1,013	1,179	1,545
Unemployment Rate	3.5%	3.7%	4.5%	5.3%	6.6%
County					
Labor Force	234,179	233,042	232,133	229,962	239,184
Employment	224,582	222,708	219,693	215,260	220,181
Unemployment	9,597	10,334	12,440	14,702	19,003
Unemployment Rate	4.1%	4.4%	5.4%	6.4%	7.9%

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

(2) Source: New Jersey Department of Labor

Labor Force (Cont'd) (2)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
State					
Labor Force	4,518,800	4,524,300	4,530,500	4,515,800	4,531,900
Employment	4,309,700	4,299,900	4,267,900	4,211,500	4,159,500
Unemployment	209,100	224,300	262,600	304,300	372,300
Unemployment Rate	4.6%	5.0%	5.8%	6.7%	8.2%

Business and Industry

Commercial development within the Township has kept pace with the population increase and residential housing construction. The Route 73 corridor has complete hotel build out and is now experiencing retail development with a super Wal-Mart that opened in June 2018, and provides over 200 jobs within the Fellowship Road Redevelopment Area. Lifetime Fitness, also incentivized by the redevelopment area, is now complete.

Commercial growth in the entertainment sector is highlighted by the pending construction of an I Fly facility. Indoor parachuting chambers will be provided for training as well as enjoyment. Across town, adjacent to Centerton Square, a new Top Golf facility opened October 2018. The facility is a premier recreational social center providing three stories of tee off space with computer tracked balls for driving performance and stats. A club restaurant will be the social heart of the venue. Metro Storage facility will open in 2019 complementing the influx of new residents.

On the northern side of the Township, along the Route 38 corridor, there is a surge in commercial growth. Two new hotels, a new super WaWa, a Royal Farms, infill retail centers (Taylor Rental Center site), and the expansion of Rowan University at Burlington all combine to make Mount Laurel a vibrant hub in the county. Additionally, the opening of the Bancroft Neuro Health Campus on Walton Avenue will bring a cutting edge medical treatment facility to the mix of current commercial growth. In conjunction, the northern side of the Township is about to see a spurt in residential growth (catering to young professionals) with a mix of high end apartments and townhouses at Signature Place.

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

<u>Employer</u>	<u>Nature of Business</u>	<u>Employees</u>
TD Bank	Corporate Offices	3,726
Freedom Mortgage	Mortgage Services	1,217
Automotive Resources International	Automotive Fleet Management	1,214
PHH Mortgage Corporation	Mortgage Services	1,200
Top Golf	Entertainment and Event Venue/Golf Games	498
Title Resource Group (TRG)	Supports Real Estate Transactions	300
Bancroft	Human and Health-Care Programs	290
Lifetime Fitness	Gym	270
Ravitz/ShopRite Markets	Supermarket	250
NFL Films	Headquarters/Production Facility	235

Building, Zoning and Development Codes

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

(1) Source: Township officials

(2) Source: New Jersey Department of Labor

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

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

Building Permits (1)

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2018	2,980	\$98,401,491
2017	3,400	82,776,898
2016	2,994	107,793,325
2015	2,634	69,939,395
2014	2,732	76,095,064
2013	2,647	47,615,155

GENERAL INFORMATION ON THE SCHOOL DISTRICT(2)

The public school system in the Township is operated by the Board as a Type II school district. It functions independently of the Township through a nine (9) member board, elected by the voters in alternate three (3) year terms.

The Township's public school system has a total of eight (8) schools - seven (7) elementary schools and one (1) middle school. Students in grades nine through twelve attend Lenape Regional High School. The Lenape Regional High School District ("High School District") is comprised of the following Burlington County municipalities: Evesham Township, Medford Township, Medford Lakes Borough, Mount Laurel Township, Shamong Township, Southampton Township, Tabernacle Township and Woodland Township. The High School District has four senior high schools, Cherokee – North and South, Lenape, Shawnee, and Seneca High School. The High School District also has a transition high school, Sequoia. Students in grades nine through twelve may also elect to attend the Burlington County Vocational School.

**TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
SCHOOL ENROLLMENTS(2)**

<u>Grade</u>	<u>2018</u>	<u>2017</u>	<u>June 30, 2016</u>	<u>2015</u>	<u>2014</u>
PreK- K	419	421	396	372	389
Pre-1 - 1	402	383	400	435	377
2	384	417	438	385	404
3	411	427	379	407	403
4	423	375	389	401	429
5	381	400	400	425	425
6	419	409	433	428	408
7	413	433	414	413	388
8	428	416	408	407	398
Spec. Ed.	<u>580</u>	<u>540</u>	<u>545</u>	<u>543</u>	<u>548</u>
Total	<u>4,260</u>	<u>4,221</u>	<u>4,202</u>	<u>4,216</u>	<u>4,169</u>

(1) Source: Township construction officials

(2) Source: Local School District officials

School Facilities, Enrollment and Capacity(1)

The School District currently consists of eight (8) schools including grades K to 8. Below is a schedule of school facilities with current enrollments.

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 06/30/18</u>	<u>Functional Capacity</u>
Countryside	1971	1987/2003	K-4	325	418
Fleetwood	1963	1987/2003	K-4	383	417
Hillside	1954	1959/1987/1998/2003	K-4	360	443
Parkway	1966	1987/2003	K-4	389	405
Harrington Middle	1969	2001/2003	7-8	968	1,213
Larchmont	1990	2003	K-4	409	444
Hartford School	1995	2001/2003	5-6	933	1,178
Springville	2001	---	K-4	<u>493</u>	<u>502</u>
Total				<u>4,260</u> (2)	<u>5,020</u>

Lenape Regional High School District School Enrollments (3)(4)

	<u>2018</u>	<u>2017</u>	<u>June 30, 2016</u>	<u>2015</u>	<u>2014</u>
Totals	<u>1,956</u>	<u>1,814</u>	<u>1,760</u>	<u>1,875</u>	<u>1,857</u>

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County

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

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

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

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

-
- (1) Source: Local School District officials
 - (2) Does not include students attending out of district schools
 - (3) Source: Regional District officials
 - (4) Township of Mount Laurel students only

The enrollment as of Spring 2019 consisted of 7,626 students. In addition, the College serves thousands of other County residents each semester through youth programs, the Learning Institute for Elders, customized training for local businesses, theatrical productions, guest speakers, and art exhibitions.

Burlington County Institute of Technology

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

The current enrollment for the two campuses in Westampton and Medford is 2,016 students.

Burlington County Special Services School District

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

The current enrollment for the B.C.S.S.S.D. is 590 students.

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS(1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2018 Assessed Valuation</u>
Centerton Square, LLC	Retail Shopping Center	\$ 66,097,200
Istar Bishops Gate, LLC	Office Buildings	64,129,800
Centerton Road, LLC	Housing	58,185,700
Laurel Corporate Center LLC	Office Space	46,917,500
PFI VPN c/o Brandywine	Office Space	45,575,200
TD Bank	Office Buildings/Banks	45,018,900
Mount Laurel Crossing, LLC	Apartments	38,018,400
Fairfield Ramblewood, LP	Apartments	37,210,700
US MJW East Gate I, LLC	Retail/Strip Center	37,128,800
Gateway Park, LLC	Office/Warehouse Buildings	33,244,600

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS (1)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2017	\$ 161,531,375	\$ 159,996,949	99.05%	\$ 1,117,486	0.69%
2016	159,826,997	158,034,048	98.88%	1,496,332	0.94%
2015	157,689,640	155,973,142	98.91%	1,181,684	0.75%
2014	156,157,708	154,140,219	98.71%	1,874,368	1.20%
2013	153,183,710	151,419,228	98.85%	1,347,674	0.88%

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2017	\$ 1,496,678	\$ 27,290	\$ 1,189,041	78.02%	\$ 34,584	\$ 294,793	\$ 5,551
2016	1,181,934	26,010	1,046,111	86.60%	45,917	115,570	346
2015	2,165,612	72,234	2,146,255	95.91%	25,195	66,146	250
2014	1,359,482	60,651	1,101,889	77.59%	21,200	5,800	291,244
2013	1,626,741	15,409	1,619,331	98.61%	4,832	6,179	11,808

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected</u>		
2017	\$ 92,841	\$ 126,859	\$ 149,501		\$ 70,199
2016	178,215	137,201	118,599	\$ 103,976	92,841
2015	136,065	94,609	52,459		178,215
2014	120,966	69,787	54,688		136,065
2013	547,120	76,702	155,167	347,689	120,966

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance Dec. 31</u>
2017	\$ 1,834,100
2016	1,834,100
2015	1,207,100
2014	1,317,700
2013	1,341,900

(1) Source: Township Reports of Audit

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

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Total Rate</u>	<u>Tax Rate (2)</u>							
			<u>County</u>	<u>County/ Farm Open Space</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Fire District</u>
2018	\$ 5,775,966,890	\$ 2.861	\$ 0.382	\$ 0.028	\$ 0.347	\$ 0.080	\$ 0.036	\$ 1.108	\$ 0.713	\$ 0.167
2017	5,764,242,792	2.787	0.362	0.044	0.347	0.080	0.036	1.081	0.677	0.160
2016	5,763,738,392	2.745	0.364	0.044	0.342	0.080	0.036	1.064	0.671	0.144
2015	5,790,653,194	2.713	0.360	0.043	0.343	0.080	0.035	1.040	0.669	0.143
2014	5,786,157,100	2.686	0.370	0.017	0.337	0.080	0.036	1.021	0.682	0.143

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

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>	<u>Estimated Population (4)</u>
2018	\$ 5,775,966,800	90.02%	\$ 6,416,315,041	\$ 153,728	41,738
2017	5,764,242,700	92.09%	6,259,357,911	149,968	41,738
2016	5,763,738,300	91.68%	6,286,800,065	150,625	41,738
2015	5,790,653,100	91.68%	6,316,157,395	150,524	41,961
2014	5,786,157,100	90.57%	6,388,602,297	152,327	41,940

REAL PROPERTY CLASSIFICATION (1)

<u>Year</u>	<u>Assessed Value of land and Improvements</u>				<u>Farmland & Apartments</u>		
	<u>Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	
2018	\$ 5,775,966,800	\$ 60,987,400	\$ 3,892,833,200	\$1,519,645,600	\$ 142,855,800	\$ 159,644,800	
2017	5,764,242,700	48,256,300	3,894,567,900	1,519,573,000	151,451,900	150,393,600	
2016	5,763,738,300	47,516,000	3,895,112,500	1,521,702,600	155,673,100	143,734,100	
2015	5,790,653,100	44,712,700	3,891,222,600	1,568,164,600	159,425,000	127,128,200	
2014	5,786,157,100	53,450,200	3,881,977,200	1,571,550,300	160,139,500	119,039,900	

(1) Source: Township Assessor

(2) Per \$100 of assessed valuation

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

(4) Based on Estimates by New Jersey Department of Labor

**TOWNSHIP OF MOUNT LAUREL
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, including General, debt of the Local School District and the Regional High School District. Deductions from gross debt to arrive at net debt include deductible school debt, as well as reserve for payment of debt. The resulting net debt of \$40,737,507 represents .64% 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.

	<u>Debt Issued</u>		<u>Debt Auth. But Not Issued</u>	<u>Gross Debt</u>	<u>Deductions</u>		<u>Net Debt</u>
	<u>Bonds</u>	<u>Notes</u>			<u>School Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 19,630,000	\$ 25,934,218	\$ 14,035	\$ 45,578,253		\$ 4,840,746	\$ 40,737,507
School - Local	6,835,000			6,835,000	\$ 6,835,000		
School - Regional	19,568,983			19,568,983	19,568,983		
	<u>\$ 46,033,983</u>	<u>\$ 25,934,218</u>	<u>\$ 14,035</u>	<u>\$ 71,982,236</u>	<u>\$ 26,403,983</u>	<u>\$ 4,840,746</u>	<u>\$ 40,737,507</u>

(1) As of December 31, 2017

Source: Township Audit Report

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second class Railroad Property for 2017, 2016, and 2015	\$ 6,326,086,246
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2016, and 2015	0.64%
2018 Net Valuation Taxable	\$ 5,775,966,890
2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 6,416,315,131
Gross Debt (2)	
As a Percentage of 2018 Net Valuation Taxable	1.25%
As a Percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.12%
Net Debt (2)	
As a Percentage of 2018 Net Valuation Taxable	0.71%
As a Percentage of 2018 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.63%
Gross Debt per Capita(3)	\$ 1,725
Net Debt per Capita(3)	\$ 976

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2015-17) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$6,326,086,246)	\$ 221,413,019
Net Debt	<u>40,737,507</u>
Remaining Borrowing Capacity	<u>\$ 180,675,511</u>

(1) As of December 31, 2017

(2) Excluding Overlapping Debt

(3) Based upon 2016 Estimate from New Jersey Department of Labor of 41,738

LOCAL SCHOOL DISTRICT BORROWING CAPACITY(1)

3.0% of Average (2015-17) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$6,326,086,246)	\$ 189,782,587
Local School Debt (2)	<u>6,835,000</u>
Remaining Borrowing Capacity	<u>\$ 182,947,587</u>

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY(1)

3.0% of Average (2015-17) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$17,998,104,128)	\$ 539,943,124
Regional School Debt (3)	<u>55,675,000</u>
Remaining Borrowing Capacity	<u>\$ 484,268,124</u>

(1) As of December 31, 2017

(2) Subsequent to December 31, 2017, the district issued \$35,540,000 in bonds.

(3) Mount Laurel's share of Regional High School Debt is \$19,568,983 which is included in this number.

**TOWNSHIP OF MOUNT LAUREL
OVERLAPPING DEBT
AS OF DECEMBER 31, 2017**

	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	\$ 201,099,000	\$ 30,655,986 (1)	\$ 170,443,014	\$ 22,907,541 (2)	
Notes	66,300,000		66,300,000	8,910,720 (2)	\$ 55,726,226
Loans	4,930,439		4,930,439	662,651 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	323,415,000	323,415,000 (3)			
Solid Waste Utility	55,355,000	55,355,000			3,570,310
Township of Mount Laurel Fire District No. 1 (4)	4,085,000		4,085,000	4,085,000	
	<u>\$ 655,184,439</u>	<u>\$ 409,425,986</u>	<u>\$ 245,758,454</u>	<u>\$ 36,565,912</u>	<u>\$ 59,296,536</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 2017 Net Valuations on which County taxes are apportioned, which is 13.44% .
(3) Deductible in accordance with N.J.S. 40:37A-80.
(4) Source: Entity's Audit Report

**TOWNSHIP OF MOUNT LAUREL
2018 MUNICIPAL BUDGET**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 6,300,000.00
Miscellaneous Revenues:	
Local Revenues	1,297,000.00
State Aid without Offsetting Appropriations	2,825,561.00
Dedicated Uniform Construction Code Fees	1,000,000.00
Public and Private Programs Offset with Appropriations	141,009.49
Other Special Items Offset with Appropriations	4,015,000.00
Receipts from Delinquent Taxes	900,000.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax	20,042,605.10
Minimum Library Tax	<u>2,134,428.28</u>
Total Anticipated Revenues	<u><u>\$ 38,655,603.87</u></u>

Appropriations:	
Within CAPS:	
Operations	\$ 25,362,089.00
Deferred Charges and Statutory Expenditures	3,213,307.00
Judgments	100.00
Excluded from CAPS:	
Other Operations	2,715,156.28
Shared Service Agreements	25,000.00
Public and Private Programs	141,009.49
Capital Improvements	400,000.00
Debt Service	3,209,350.00
Deferred Charges	14,035.06
Reserve for Uncollected Taxes	<u>3,575,557.04</u>
Total Appropriations	<u><u>\$ 38,655,603.87</u></u>

MUNICIPAL OPEN SPACE FUND

Anticipated Revenues:	
Amount to be Raised by Taxation	\$ 4,620,773.51
Reserve Funds	<u>14,000,000.00</u>
Total Anticipated Revenues	<u><u>\$ 18,620,773.51</u></u>

Appropriations:	
Acquisition of Lands for Recreation and Conservation	\$ 8,000,000.00
Development of Lands for Recreation and Conservation	9,000,000.00
Payment on Bond Principal	785,000.00
Interest on Bonds	545,140.28
Reserve for Future Use	<u>290,633.23</u>
Total Appropriations	<u><u>\$ 18,620,773.51</u></u>

**TOWNSHIP OF MOUNT LAUREL
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2018 - 2023**

	<u>Estimated Total Cost</u>	<u>Budget Current Year 2018</u>	<u>Capital Improvement Fund</u>	<u>Bonds and Notes General</u>
Purchase of Public Works Vehicles and Equipment	\$ 2,900,000		\$ 145,000	\$ 2,755,000
Upgrade and Installation of Information Technology	50,000		2,500	47,500
Improvements to Parks and Public Property	112,500		5,625	106,875
Acquisition of Police Vehicles and Equipment	495,000		24,750	470,250
Acquisition of Equipment and Improvements for EMS	195,000		9,750	185,250
Inside and Outside Road Programs	16,500,000		825,000	15,675,000
Purchase and Install of A/C & Heating Units for Municipal Properties	108,875	\$ 108,875		
Purchase and Install of Flooring for Municipal Purposes	26,800	26,800		
Purchase and Install of Cameras/Monitors for Municipal Properties	130,000	130,000		
Purchase and Install of Electrical Sign for Municipal Purposes	25,000	25,000		
Purchase and Install Furniture/Microphones	12,325	12,325		
Purchase and Install Doors for Municipal Purposes	80,000	80,000		
Purchase and Install Lockers for Police Department	17,000	17,000		
	<u>\$ 20,652,500</u>	<u>\$ 400,000</u>	<u>\$ 1,012,625</u>	<u>\$ 19,239,875</u>

**TOWNSHIP OF MOUNT LAUREL
SCHEDULE OF DEBT SERVICE
(BONDED DEBT ONLY)**

Year	Existing Debt (1)						Proposed 2019 GO Bonds		
	General			Open Space			Principal	Interest	Total
	Principal	Interest	Total	Principal	Interest	Total			
2018	\$ 2,185,000.00	\$ 218,350.00	\$ 2,403,350.00	\$ 785,000.00	\$ 545,140.28	\$ 1,330,140.28			
2019	1,560,000.00	137,600.00	1,697,600.00	825,000.00	526,400.00	1,351,400.00			
2020	770,000.00	75,200.00	845,200.00	850,000.00	492,900.00	1,342,900.00	\$ 900,000.00		
2021	770,000.00	44,400.00	814,400.00	885,000.00	458,200.00	1,343,200.00	900,000.00		
2022	340,000.00	13,600.00	353,600.00	890,000.00	427,150.00	1,317,150.00	1,200,000.00		
2023				925,000.00	395,300.00	1,320,300.00	1,555,000.00		
2024				960,000.00	357,600.00	1,317,600.00	1,600,000.00		
2025				1,000,000.00	318,400.00	1,318,400.00	1,650,000.00		
2026				1,040,000.00	277,600.00	1,317,600.00	1,705,000.00		
2027				1,085,000.00	229,675.00	1,314,675.00	1,775,000.00		
2028				1,130,000.00	179,950.00	1,309,950.00	1,750,000.00		
2029				1,170,000.00	133,950.00	1,303,950.00	1,800,000.00		
2030				1,215,000.00	80,175.00	1,295,175.00	1,800,000.00		
2031				1,245,000.00	24,900.00	1,269,900.00	1,800,000.00		
2032							1,800,000.00		
2033							1,800,000.00		
2034							1,800,000.00		
2035							1,710,000.00		
	<u>\$ 5,625,000.00</u>	<u>\$ 489,150.00</u>	<u>\$ 6,114,150.00</u>	<u>\$ 14,005,000.00</u>	<u>\$ 4,447,340.28</u>	<u>\$ 18,452,340.28</u>	<u>\$ 25,545,000.00</u>		
	<u>Grand Total</u>								
Year	Principal	Interest	Total						
2018	\$ 2,970,000.00								
2019	2,385,000.00								
2020	2,520,000.00								
2021	2,555,000.00								
2022	2,430,000.00								
2023	2,480,000.00								
2024	2,560,000.00								
2025	2,650,000.00								
2026	2,745,000.00								
2027	2,860,000.00								
2028	2,880,000.00								
2029	2,970,000.00								
2030	3,015,000.00								
2031	3,045,000.00								
2032	1,800,000.00								
2033	1,800,000.00								
2034	1,800,000.00								
2035	1,710,000.00								
	<u>\$ 45,175,000.00</u>	<u>\$ -</u>	<u>\$ -</u>						

(1) As of December 31, 2017
Source: Township Auditor

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Mount Laurel
Mount Laurel, New Jersey 08054

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 Mount Laurel, 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; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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.

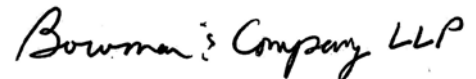
Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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 Mount Laurel, 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 Mount Laurel, 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



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 14, 2018

TOWNSHIP OF MOUNT LAUREL
CURRENT FUND

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

ASSETS	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Regular Fund:					
Cash--Treasurer	\$30,867,644	\$20,672,087	\$18,451,595	\$26,743,197	\$22,923,678
Due from State of New Jersey	17,244	14,334		9,857	4,045
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	1,123,037	1,496,678	1,181,934	2,165,612	1,359,482
Tax Title Liens Receivable	70,199	92,841	178,215	136,065	120,966
Property Acquired for Taxes--					
Assessed Valuation	1,834,100	1,834,100	1,207,100	1,317,700	1,341,900
Property Maintenance Liens Receivable	1,983	7,924	11,137	7,883	21,366
Revenue Accounts Receivable	43,240	38,110	49,934	62,289	52,207
Due From Mt. Laurel Library		98,715	144,700		
Interfunds Receivable	261,959	1,088,175	2,343,606	1,874,473	1,204,909
Deferred Charges:					
Special Emergency		300,000	600,000	920,000	1,240,000
Total Regular Fund	34,219,406	25,642,964	24,168,222	33,237,076	28,268,553
Federal and State Grant Fund:					
Cash	497,809	493,567	1,334,699	1,455,770	1,251,156
Federal and State Grants Receivable	664,486	1,153,641	838,296	1,110,978	979,798
Total Federal and State Grant Fund	1,162,295	1,647,208	2,172,994	2,566,748	2,230,954
	\$35,381,701	\$27,290,172	\$26,341,216	\$35,803,824	\$30,499,507

(Continued)

**TOWNSHIP OF MOUNT LAUREL
CURRENT FUND**

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

LIABILITIES, RESERVES AND FUND BALANCE:	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Regular Fund:					
Appropriation Reserves	\$2,975,508	\$2,586,910	\$2,309,955	\$1,982,664	\$1,549,708
Reserve for Encumbrances	579,353	890,140	1,204,662	1,226,780	1,410,424
Accounts Payable		114,871	57,978	44,053	53,210
Contracts Payable					144,930
Due to State of New Jersey	26,193	29,308	35,982	24,942	16,592
Prepaid Taxes	6,344,888	1,093,783	1,247,479	922,742	685,859
Tax Overpayments	307,252	326,412	648,103	493,688	494,285
Reserve for Insurance Reimbursements	42,453	42,453	42,453	42,453	42,453
Reserve for FEMA Flood Repairs	49,807	49,807	49,807	49,807	49,807
Reserve for Revaluation	471,163	471,163	471,163	471,163	471,163
Reserve for Sale of Municipal Assets	50,058	50,058	50,058	50,058	50,058
Reserve for Master Plan	11,800	11,800	11,800	11,800	11,800
Due County for Added and Omitted Taxes	137,032	251,380	92,166	112,848	56,839
Local School District Taxes Payable	3,848,393	3,347,110	2,782,292	2,221,282	1,634,505
Regional High School Taxes Payable	1,363,420	1,152,387	1,200,191	1,559,674	2,069,044
Open Space Taxes Payable			18,040	10,651,746	5,999,986
Interfunds Payable					361,868
Reserve for Receivable and Other Assets	3,334,517	4,656,543	5,116,627	5,564,022	4,100,830
Fund Balance	14,677,569	10,568,839	8,829,466	7,807,354	9,065,192
Total Regular Fund	34,219,406	25,642,964	24,168,222	33,237,076	28,268,553
Federal and State Grant Fund:					
Unappropriated Reserves	51,580	72,000	3,800	67,965	170,147
Appropriated Reserves	1,105,115	937,070	1,164,195	1,743,508	1,223,565
Reserve for Encumbrances	5,600	137,385	275,811	26,086	108,053
Interfund Payable		500,753	729,189	729,189	729,189
Total Federal and State Grant Fund	1,162,295	1,647,208	2,172,994	2,566,748	2,230,954
	\$35,381,701	\$27,290,172	\$26,341,216	\$35,803,824	\$30,499,507

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

**TOWNSHIP OF MOUNT LAUREL
CURRENT FUND**

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

	For the Years Ended December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:					
Tax Collections:					
Current	\$159,996,949	\$158,034,048	\$155,973,142	\$154,140,219	\$151,419,228
Delinquent	1,206,192	1,164,710	2,198,714	1,156,577	1,774,498
Total Taxes	161,203,141	159,198,758	158,171,856	155,296,796	153,193,726
Miscellaneous Revenues Anticipated	11,041,008	10,998,545	10,682,362	11,131,029	10,689,526
Other Income	5,394,316	2,104,529	2,532,202	1,776,956	2,855,511
Fund Balance Utilized	6,300,000	6,000,000	5,600,000	5,600,000	5,600,000
Liquidation of Reserves for Other Receivables and Interfunds	943,513	1,301,416			
Total Income	184,881,978	179,603,248	176,986,420	173,804,781	172,338,763
Expenditures and Encumbrances:					
Operations	28,459,440	27,455,567	26,588,664	26,910,044	25,186,909
Capital Improvements	350,000	300,000	270,000	50,000	50,000
Debt Service	3,425,753	4,084,486	4,401,028	4,544,713	4,961,440
Deferred Charges and Statutory Expenditures	3,542,852	3,249,180	3,260,229	3,424,518	4,104,714
County Taxes	23,456,782	23,715,992	23,379,839	22,459,413	22,038,482
Special District Taxes	9,171,773	8,279,556	8,273,976	8,223,613	8,316,129
Local School District Taxes	62,307,933	61,305,366	60,175,731	59,053,711	57,880,157
Regional High School District Taxes	39,057,413	38,635,346	38,730,954	39,449,921	40,468,661
Local Municipal Open Space Tax	4,638,407	4,660,516	4,650,562	4,651,761	2,693,378
Reserve for Interfunds and Other Assets			613,833	669,564	6,478
Other Expenditures	62,894	177,866	19,492	25,361	27,132
Total Expenditures and Encumbrances	174,473,247	171,863,875	170,364,308	169,462,619	165,733,480
Statutory Excess to Fund Balance	10,408,731	7,739,372	6,622,112	4,342,162	6,605,283
Fund Balance, January 1	10,568,838	8,829,466	7,807,354	9,065,192	8,059,909
	20,977,569	16,568,838	14,429,466	13,407,354	14,665,192
Less: Utilized as Revenue	6,300,000	6,000,000	5,600,000	5,600,000	5,600,000
Fund Balance, December 31	\$ 14,677,569	\$ 10,568,838	\$ 8,829,466	\$ 7,807,354	\$ 9,065,192

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

**TOWNSHIP OF MOUNT LAUREL
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	\$18,506,234	\$13,732,583	\$5,724,319	\$2,276,626	\$3,006,833
Interfunds Receivable		516,081	2,089,428	2,089,427	2,451,295
Deferred Charges to Future Taxation:					
Funded	19,630,000	23,455,000	26,835,000	30,595,000	34,820,000
Unfunded	25,948,253	38,270,485	30,505,985	31,482,504	25,594,491
	<u>\$64,084,487</u>	<u>\$75,974,149</u>	<u>\$65,154,732</u>	<u>\$66,443,557</u>	<u>\$65,872,619</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	\$19,630,000	\$23,455,000	\$26,835,000	\$30,595,000	\$34,820,000
Bond Anticipation Notes	25,934,218	18,475,243	10,710,743	4,429,860	5,829,295
Improvement Authorizations:					
Funded	829,591	1,991,082	2,037,777	2,039,867	2,172,410
Unfunded	12,879,929	26,566,288	21,462,648	26,704,592	19,892,705
Contracts Payable	1,522,631	485,972	1,455,201	478,883	305,909
Capital Improvement Fund	17,038	53,788	303,788	33,788	367,340
Other Liabilities and Special Funds	3,175,069	4,865,999	1,238,961	1,442,050	2,258,507
Interfunds Payable	36,991	21,757	1,051,592	660,497	167,433
Fund Balance	59,020	59,020	59,020	59,020	59,020
	<u>\$64,084,487</u>	<u>\$75,974,149</u>	<u>\$65,154,732</u>	<u>\$66,443,557</u>	<u>\$65,872,619</u>

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

TOWNSHIP OF MOUNT LAUREL
TRUST FUND

Statements of Assets, Liabilities and Reserves --Regulatory Basis

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>
ASSETS					
Animal Control Fund:					
Cash	\$ 52,130	\$ 48,267	\$ 57,222	\$ 40,599	\$ 25,765
	<u>52,130</u>	<u>48,267</u>	<u>57,222</u>	<u>40,599</u>	<u>25,765</u>
Assessment Fund:					
Cash	25	40	179,498	144,479	84,086
Due from Capital Fund			167,433	167,433	167,433
Assessments Receivable	183,833	211,990	227,695	260,849	317,799
	<u>183,858</u>	<u>212,030</u>	<u>574,626</u>	<u>572,761</u>	<u>569,318</u>
Municipal Open Space Fund:					
Cash	21,253,973	18,047,551	15,960,883	1,963,033	3,224,052
Interfunds Receivable		8,330	50,592	10,684,298	6,032,538
	<u>21,253,973</u>	<u>18,055,881</u>	<u>16,011,475</u>	<u>12,647,331</u>	<u>9,256,590</u>
Other Funds:					
Cash	11,679,512	12,529,405	11,852,392	12,022,356	11,192,146
Payroll Deductions Receivable	1,958				
Deferred Charge - PAWS Deficit		18,344	4,142		12,173
Investments - LOSAP	641,499	609,631	530,965		
	<u>12,322,969</u>	<u>13,157,380</u>	<u>12,387,499</u>	<u>12,022,356</u>	<u>11,204,319</u>
	<u>\$ 33,812,930</u>	<u>\$ 31,473,558</u>	<u>\$ 29,030,822</u>	<u>\$ 25,283,047</u>	<u>\$ 21,055,992</u>

(Continued)

**TOWNSHIP OF MOUNT LAUREL
TRUST FUND**

Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31				
	<u>2017</u>	<u>2016</u>	<u>2015</u> (Restated)	<u>2014</u>	<u>2013</u>
LIABILITIES AND RESERVES					
Animal Control Fund:					
Reserve for Animal Control Fund Expenditures	\$ 37,083	\$ 36,560	\$ 32,467	\$ 28,112	\$ 13,281
Interfunds Payable	15,047	11,699	24,751	12,487	12,484
Due to State of New Jersey		8	4		
	<u>52,130</u>	<u>48,267</u>	<u>57,222</u>	<u>40,599</u>	<u>25,765</u>
Assessment Fund:					
Interfunds Payable	183,858	212,030	514,626	459,520	401,885
Bond Anticipation Notes			60,000	113,241	167,433
	<u>183,858</u>	<u>212,030</u>	<u>574,626</u>	<u>572,761</u>	<u>569,318</u>
Municipal Open Space Fund:					
Interfunds Payable		15,328	1,338,601	1,338,601	1,338,601
Contracts Payable		1,135	38,374	79,121	49,682
Reserve for Encumbrances	29,603	240,985	40,855	7,679	6,492
Reserve for Municipal Open Space Trust Fund	18,120,418	14,813,433	11,735,845	8,493,730	5,265,615
Reserve for Payment of Debt	3,103,952	2,985,000	2,857,800	2,728,200	2,596,200
	<u>21,253,973</u>	<u>18,055,881</u>	<u>16,011,475</u>	<u>12,647,331</u>	<u>9,256,590</u>
Other Funds:					
Interfunds Payable	26,063	1,008,157	974,259	963,591	844,730
Accounts Payable	261,255	239,608	209,558	205,965	201,019
Reserve for Encumbrances	638,546	683,184	416,414	538,190	494,146
Reserve for Special Funds	11,397,105	11,226,431	10,787,268	10,314,610	9,664,424
	<u>12,322,969</u>	<u>13,157,380</u>	<u>12,387,499</u>	<u>12,022,356</u>	<u>11,204,319</u>
	<u>\$ 33,812,930</u>	<u>\$ 31,473,558</u>	<u>\$ 29,030,822</u>	<u>\$ 25,283,047</u>	<u>\$ 21,055,992</u>

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

TOWNSHIP OF MOUNT LAUREL
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 Mount Laurel (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 7, 1872 from portions of Evesham Township. The Township, located in Burlington County, New Jersey, has a total area of approximately twenty-two square miles, and is located approximately fifteen miles from the City of Philadelphia. The Township borders Moorestown Township, Maple Shade Township, Cherry Hill Township, Medford Township, Hainesport Township, Lumberton Township, Westampton Township, Willingboro Township and Evesham Township. According to the 2010 census, the population is 41,864.

The Township is governed under the Faulkner Act System using Council-Manager form of government, with a five-member Council. The Council is elected directly by the voters in partisan elections to serve four-year terms of office on a staggered basis, with two or three seats coming up for election in odd-numbered years. At an annual reorganization meeting, the Council selects one of its members to serve as Mayor and another as Deputy Mayor. The Township Manager oversees the daily functions of the Township.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Mount Laurel Municipal Utilities Authority
1201 S. Church Street
Mount Laurel, New Jersey 08054

Mount Laurel Public Library
100 Walt Whitman Avenue
Mount Laurel, New Jersey 08054

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (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.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation - 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.

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

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current and municipal open space 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. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

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.

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

Cash, Cash Equivalents and Investments (Cont'd) – All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

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

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

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.

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

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 balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due 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, the Township of Mount Laurel School District, the Lenape Regional High School District, the Township of Mount Laurel Open Space Fund, the Mount Laurel Library and the Township of Mount Laurel Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Mount Laurel School District and the Lenape Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the regional high school district 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.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Mount Laurel Fire District. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

Open Space Taxes - Currently, the Township assesses, by referendum, all taxable property at 8 cents per \$100.00 of assessed value for the acquisition and improvements of land for open space preservation, historic preservation, parks and recreation and maintenance of open space property within the Township.

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Mount Laurel Public Library. The tax is a separate local levy tax, the amount of which is in accordance with New Jersey statutes based on 1/3 of a mil of the Township's equalized valuation of the prior year. The tax is remitted to the Library through the municipal budget.

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

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 bonds and notes are provided on the cash 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 fund. 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.

Note 2: CASH AND CASH EQUIVALENTS (Cont'd)

Custodial Credit Risk Related to Deposits (Cont'd) - 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 \$81,263,441.47 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 78,504,839.32
Uninsured and Uncollateralized	<u>2,758,602.15</u>
Total	<u>\$ 81,263,441.47</u>

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Tax Rate	<u>\$ 2.787</u>	<u>\$ 2.745</u>	<u>\$ 2.713</u>	<u>\$ 2.686</u>	<u>\$ 4.550</u>
Apportionment of Tax Rate:					
Municipal	\$.347	\$.342	\$.343	\$.337	\$.573
Municipal Library	.036	.036	.035	.036	.065
Municipal Open Space					
Preservation Trust Fund	.080	.080	.080	.080	.080
County	.362	.364	.360	.370	.628
County Open Space					
Preservation Trust Fund	.044	.044	.043	.017	.027
Local School	1.081	1.064	1.040	1.021	1.724
Regional School	.677	.671	.669	.682	1.205
Special District Rates:					
Fire District	.160	.144	.143	.143	.248

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 5,764,242,792.00
2016	5,763,738,392.00
2015	5,790,653,194.00
2014*	5,786,157,100.00
2013	3,358,044,200.00

*Revaluation

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 161,531,375.37	\$ 159,996,948.86	99.05%
2016	159,826,997.23	158,034,048.00	98.88%
2015	157,689,639.55	155,973,141.86	98.91%
2014	156,157,707.62	154,140,219.35	98.71%
2013	153,183,709.94	151,419,227.78	98.85%

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	\$ 70,198.75	\$ 1,123,036.58	\$ 1,193,235.33	0.74%
2016	92,841.21	1,496,678.13	1,589,519.34	0.99%
2015	178,215.44	1,181,934.18	1,360,149.62	0.86%
2014	136,065.37	2,165,611.76	2,301,677.13	1.47%
2013	120,966.38	1,359,481.89	1,480,448.27	0.97%

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	22
2014	23
2013	18

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	\$ 1,834,100.00
2016	1,834,100.00
2015	1,207,100.00
2014	1,317,700.00
2013	1,341,900.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 14,677,568.94	\$ 6,300,000.00	42.92%
2016	10,568,839.13	6,300,000.00	59.61%
2015	8,829,465.92	6,000,000.00	67.95%
2014	7,807,354.16	5,600,000.00	71.73%
2013	9,065,191.51	5,600,000.00	61.77%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 261,958.98	
Trust - Animal Control		\$ 15,047.71
Trust - Assessment		183,857.54
Trust - Other		26,063.14
General Capital		36,990.59
	<u>\$ 261,958.98</u>	<u>\$ 261,958.98</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 7: PENSION PLANS

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

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

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62.

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

Public Employees' Retirement System (Cont'd) - Service retirement benefits of 1/60th 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.

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.

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

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 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 12.61% 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 \$554,241.00, 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 \$539,512.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$327,659.02.

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.

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 26.37% 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.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$1,622,174.00, 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 \$1,543,697.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$621,733.60.

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 2.58% 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 \$158,488.00, 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 \$116,375.00, 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 \$1,850.01, and the Township's contributions were \$1,009.18. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$13,926,964.00. 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 0.0589278367%, which was a decrease of 0.0009016048% 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 \$952,173.00. 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 \$539,512.00, and was paid on April 1, 2017.

Note 7: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System - 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	\$ 28,296,845.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,169,485.00</u>
	<u><u>\$ 31,466,330.00</u></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 0.183296743%, which was a decrease of 0.0060388778% 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 0.183296743%, which was a decrease of 0.0060388778% 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 \$2,519,086.00. 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 \$1,543,697.00, 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 \$387,700.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 7: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 327,932.00	\$ 183,573.00	\$ 511,505.00	\$ -	\$ 166,079.00	\$ 166,079.00
Changes of Assumptions	2,805,804.00	3,489,316.00	6,295,120.00	2,795,517.00	4,634,196.00	7,429,713.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	94,833.00	539,970.00	634,803.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	277,520.00	1,359,880.00	1,637,400.00	596,022.00	1,574,444.00	2,170,466.00
Township Contributions Subsequent to the Measurement Date	277,121.00	811,087.00	1,088,208.00	-	-	-
	<u>\$ 3,783,210.00</u>	<u>\$ 6,383,826.00</u>	<u>\$ 10,167,036.00</u>	<u>\$ 3,391,539.00</u>	<u>\$ 6,374,719.00</u>	<u>\$ 9,766,258.00</u>

\$277,121.00 and \$811,087.00 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.

Note 7: **PENSION PLANS (CONT'D)**

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

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

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred 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
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

Note 7: PENSION PLANS (CONT'D)

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$ 269,329.00	\$ 297,082.00	\$ 566,411.00
2019	436,215.00	885,292.00	1,321,507.00
2020	194,566.00	(23,807.00)	170,759.00
2021	(477,732.00)	(1,291,304.00)	(1,769,036.00)
2022	(307,828.00)	(669,243.00)	(977,071.00)
	<u>\$ 114,550.00</u>	<u>\$ (801,980.00)</u>	<u>\$ (687,430.00)</u>

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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.

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:

Note 7: **PENSION PLANS (CONT'D)**

Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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. 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.

Note 7: **PENSION PLANS (CONT'D)**

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 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:

	PERS		
	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 17,277,344.00</u>	<u>\$ 13,926,964.00</u>	<u>\$ 11,135,682.00</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:

	PFRS		
	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 37,283,424.00	\$ 28,296,845.00	\$ 20,913,349.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>4,176,057.50</u>	<u>3,169,485.00</u>	<u>2,342,471.23</u>
	<u>\$ 41,459,481.50</u>	<u>\$ 31,466,330.00</u>	<u>\$ 23,255,820.23</u>

Pension Plan Fiduciary Net Position

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

Note 7: **PENSION PLANS (CONT'D)**

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	0.0598278367%	0.0582339743%	0.0602692515%
Township's Proportionate Share of the Net Pension Liability	\$ 13,926,964.00	\$ 17,247,233.00	\$ 13,529,239.00
Township's Covered Payroll (Plan Measurement Period)	\$ 4,007,952.00	\$ 3,904,004.00	\$ 4,013,668.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	347.48%	441.78%	337.08%
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	0.0619989505%	0.0583238991%	
Township's Proportionate Share of the Net Pension Liability	\$ 11,607,899.00	\$ 11,146,856.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 4,104,736.00	\$ 3,819,180.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	282.79%	291.87%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%	

Note 7: **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	\$ 554,241.00	\$ 517,342.00	\$ 518,154.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(554,241.00)</u>	<u>(517,342.00)</u>	<u>(518,154.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 4,396,886.00	\$ 4,093,353.00	\$ 3,903,433.00
Township's Contributions as a Percentage of Covered Payroll	12.61%	12.64%	13.27%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 511,110.00	\$ 439,459.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(511,110.00)</u>	<u>(439,459.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 3,998,793.00	\$ 4,034,733.00	
Township's Contributions as a Percentage of Covered Payroll	12.78%	10.89%	

Note 7: **PENSION PLANS (CONT'D)**

Supplementary Pension Information (Cont'd)

Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last 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	0.1832926743%	0.1893315521%	0.1779534352%
Township's Proportionate Share of the Net Pension Liability	\$ 28,296,845.00	\$ 36,167,169.00	\$ 29,640,839.00
State's Proportionate Share of the Net Pension Liability associated with the Township	3,169,485.00	3,037,145.00	2,599,402.00
Total	<u>\$ 31,466,330.00</u>	<u>\$ 39,204,314.00</u>	<u>\$ 32,240,241.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 5,901,648.00	\$ 6,008,508.00	\$ 5,635,452.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	479.47%	601.93%	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	0.1913154771%	0.1841119754%	
Township's Proportionate Share of the Net Pension Liability	\$ 24,065,713.00	\$ 24,476,026.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	2,591,473.00	2,281,463.00	
Total	<u>\$ 26,657,186.00</u>	<u>\$ 26,757,489.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 5,899,404.00	\$ 5,778,048.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.93%	423.60%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.41%	58.70%	

Note 7: **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	\$ 1,622,174.00	\$ 1,543,697.00	\$ 1,446,496.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,622,174.00)</u>	<u>(1,543,697.00)</u>	<u>(1,446,496.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 6,151,390.00	\$ 5,944,839.00	\$ 5,907,397.00
Township's Contributions as a Percentage of Covered Payroll	26.37%	25.97%	24.49%
	<u>Year Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 1,469,435.00	\$ 1,343,240.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,469,435.00)</u>	<u>(1,343,240.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 5,680,094.00	\$ 5,714,809.00	
Township's Contributions as a Percentage of Covered Payroll	25.87%	23.50%	

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - 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 8: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on June 20, 2005 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The voters of the Township approved the adoption of the Plan at the general election held on November 5, 2005, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2006. The Plan provides tax deferred income benefits to active emergency medical service volunteers, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Emergency Medical Services, Inc., consisting of the volunteer first aid organization, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Note 8: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Plan Amendments - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute between \$211.03 and \$1,150.00 for the year ended December 31, 2017, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2017, the Township's total expenditure to the Plan was \$43,374.60 and there were plan forfeitures of \$77,302.30.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

Vesting - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

Note 8: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Payment of Benefits (Cont'd) - In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2017, fifty three accounts, totaling \$77,302.30 were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Supplementary Length of Service Award Program Information

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of Township contributions to the length of service award program is presented.

<u>For the Year Ended</u>	<u>Township's Plan Calculated Contribution</u>	<u>Township's Contribution in Relation to the Plan Calculated</u>	<u>Township's Plan Calculated Contribution Deficiency (Excess)</u>
2017	\$ 43,374.60	\$ 43,374.60	\$ -
2016	48,850.03	48,850.03	
2015	47,965.41	47,965.41	
2014	52,849.21	52,849.21	
2013	56,127.18	56,127.18	
2012	47,454.38	47,454.38	
2011	51,232.46	51,232.46	
2010	44,151.77	44,151.77	
2009	54,249.72	54,249.72	
2008	59,185.12	59,185.12	

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Plan Description (Cont'd) - The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2005, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 05-R-144. Eligible SHBP employees are only covered under police contract. Those employees must work 25 years with the Township to receive postretirement healthcare benefits which includes healthcare, dental and prescription for the retired employee, their spouse and any dependents under the age of 26. Those eligible retirees that started their service prior to 12/31/85 are entitled for 36 months of postretirement health benefits. Eligible hires after 01/01/86 are entitled for 18 months of postretirement health benefits. SHBP medical plans include NJ Direct 10 and NJ Direct 15 administered by Horizon Blue Cross Blue Shield of New Jersey, Aetna HMO and CIGNA Healthcare. Dental care is administered through Aetna.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2017, 2016, and 2015, were \$435,260.50, \$435,316.17, and \$402,308.91, respectively, which equaled the required contributions each year. There were approximately 19 retired participants eligible at December 31, 2017.

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Township, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year.

The Township compensates employees for unused sick leave and vacation days upon termination if they have ten years of service or retirement. The current contract provides for compensated pay of 30%, 40% or 50% of sick days accumulated with a maximum pay-out of thirty or forty days' pay or \$15,000.00 depending on which contract. All unused vacation days are paid out upon termination or retirement. Compensation is paid at the rate of pay upon termination or retirement.

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 \$1,097,409.84.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: CAPITAL DEBT

General Improvement Bonds

Open Space Bonds, Series 2011 - On April 7, 2011, the Township issued \$18,600,000.00 of open space bonds, with interest rates ranging from 4.0% to 4.5%. The purpose of the bonds is to fund various capital ordinances. The callable portion of these bonds were advanced refunded during 2017. The final maturity of the noncallable portion of the bonds is April 15, 2021.

General Improvement Refunding Bonds, Series 2011 - On April 7, 2011, the Township issued \$8,805,000.00 of general improvement refunding bonds, with interest rates ranging from 2.0% to 3.0% to advance refund \$8,658,000.00 outstanding 1998, 2001 and 2002 general improvement bonds with interest rates of 3.375% to 4.750%. The final maturity of the bonds is August 1, 2018.

General Improvement Refunding Bonds, Series 2014 - On December 10, 2014, the Township issued \$9,190,000.00 in general improvement refunding bonds, with interest rates ranging from 1.0% to 4.0%, to advance refund \$9,550,000.00 outstanding 2004, 2005 and 2006 general improvement bonds with interest rates of 3.750 to 4.300%. The final maturity of the bonds is September 1, 2022.

Open Space Refunding Bonds, Series 2017 - On October 26, 2017 the Township issued \$10,660,000.00 in general improvement refunding bonds, with interest rates ranging from 3.0% to 5.0% to advance refund \$11,105,000.00 outstanding 2011 Open Space Bonds, Series A with interest rates ranging from 4% to 4.50%. The final maturity of the bonds is April 15, 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,185,000.00	\$ 218,350.00	\$ 2,403,350.00
2019	1,560,000.00	137,600.00	1,697,600.00
2020	770,000.00	75,200.00	845,200.00
2021	770,000.00	44,400.00	814,400.00
2022	340,000.00	13,600.00	353,600.00
	<u>\$ 5,625,000.00</u>	<u>\$ 489,150.00</u>	<u>\$ 6,114,150.00</u>

Note 12: CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the Open Space Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 785,000.00	\$ 545,140.28	\$ 1,330,140.28
2019	825,000.00	526,400.00	1,351,400.00
2020	850,000.00	492,900.00	1,342,900.00
2021	885,000.00	458,200.00	1,343,200.00
2022	890,000.00	427,150.00	1,317,150.00
2023-2027	5,010,000.00	1,578,575.00	6,588,575.00
2028-2031	4,760,000.00	418,975.00	5,178,975.00
	<u>\$ 14,005,000.00</u>	<u>\$ 4,447,340.28</u>	<u>\$ 18,452,340.28</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Issued</u>			
Assessment:			
Notes			\$ 60,000.00
General:			
Bonds and Notes	\$ 45,564,218.00	\$ 41,930,243.00	37,545,743.00
Total Issued	<u>45,564,218.00</u>	<u>41,930,243.00</u>	<u>37,605,743.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	14,035.06	19,795,242.62	19,795,242.62
Total Authorized but not Issued	<u>14,035.06</u>	<u>19,795,242.62</u>	<u>19,795,242.62</u>
Total Issued and Authorized but not Issued	<u>45,578,253.06</u>	<u>61,725,485.62</u>	<u>57,400,985.62</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds	4,840,745.87	3,760,883.13	3,820,066.56
Total Deductions	<u>4,840,745.87</u>	<u>3,760,883.13</u>	<u>3,820,066.56</u>
Net Debt	<u>\$ 40,737,507.19</u>	<u>\$ 57,964,602.49</u>	<u>\$ 53,580,919.06</u>

Note 12: 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 .644%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 6,835,000.00	\$ 6,835,000.00	
Regional School Purposes	19,568,983.05	19,568,983.05	
General	45,578,253.06	4,840,745.87	\$ 40,737,507.19
	<u>\$ 71,982,236.11</u>	<u>\$ 31,244,728.92</u>	<u>\$ 40,737,507.19</u>

Net debt \$40,737,507.19 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$6,326,086,246.33, equals .644%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 221,413,018.62
Less: Net Debt	<u>40,737,507.19</u>
Remaining Borrowing Power	<u>\$ 180,675,511.43</u>

Note 13: CAPITAL DEBT REFUNDING

On October 26, 2017, the Township issued \$10,660,000.00 in general obligation bonds with interest rates ranging from 3.0% to 5.0% to advance refund \$11,105,000.00 of outstanding 2011 open space series A bonds with interest rates ranging from 4.0% to 4.5%. The net proceeds of \$12,073,102.90 (after payment of issuance costs) were used to purchase State and Local Government Series Securities Treasury Notes and Certificates. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2011 series A bonds. As a result of the current refunding, the Township will reduce its total debt service payments over the next fourteen years by almost \$760,000.00, which results in an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$643,671.17, or 5.796% of the principal amount being refunded. The current refunding meets the requirements of an in-substance defeasance and the liability for the refunded bonds was removed from the Township's financial statements.

Note 14: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 31,153,958.50	\$ 30,652,675.00
Deferred	<u>27,305,565.35</u>	<u>27,305,565.35</u>
	<u>\$ 3,848,393.15</u>	<u>\$ 3,347,109.65</u>

Note 14: SCHOOL TAXES (CONT'D)

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

	Balance December 31,	
	<u>2017</u>	<u>2016</u>
Balance of Tax	\$ 19,528,706.86	\$ 19,317,673.16
Deferred	<u>18,165,286.57</u>	<u>18,165,286.57</u>
	<u>\$ 1,363,420.29</u>	<u>\$ 1,152,386.59</u>

Note 15: 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>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 100.00	\$ 17,284.79	\$ 26.33	\$ 4,051.19	\$ 284,688.02
2016	-	16,272.48	118.78	4,369.00	271,328.09
2015	-	15,550.05	119.01	449.58	259,305.83

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2017.

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

- Workers' Compensation including Employer's Liability
- General Liability including Police Professional and Employee Benefit Liability
- Automobile Liability
- Blanket Crime including Public Employee Dishonesty
- Property Including Boiler and Machinery
- Public Officials and Employment Practices Liability
- Volunteer Directors and Officers Liability
- Cyber Liability

Note 15: 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 General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2017, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1998, November 6, 2001 and November 5, 2002 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Mount Laurel Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township currently levies a tax not to exceed eight cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. In 2007, the voters of the Township extended the yearly provisions of the 1998 and 2001 referendums. In 2017, the voters of the Township approved an amendment to the purpose of the open space tax to include the improvements of recreation sites within the Township. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Mount Laurel Open Space, Recreation and Farmland Preservation Trust Funds.

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

Note 19: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2017, several tax appeals were on file against the Township. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Township, the estimated impact of the tax refunds could be material. However, the Township maintains a Reserve for Revaluation Appeals in the current fund of \$471,163.48 in addition to \$325,000.00 of unencumbered 2017 appropriation reserves and budgeted \$500,000.00 in the 2018 budget. In the event there are insufficient funds to settle any of these appeals, the Township has the ability to raise the funds in the budget subsequent to 2018 and may, depending upon approval from the New Jersey State Local Finance Board, borrow to fund the payment of appeals.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION



March __, 2019

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

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

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$ _____ General Obligation Bonds, Series 2019 (the "Bonds") by the Township of Mount Laurel (the "Township") in the County of Burlington, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 19-R-35 adopted by the Township Council on January 28, 2019 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated March __, 2019, and mature on March 1 in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated February __, 2019 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on March 1st and September 1st of each year, commencing September 1, 2019.

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

Proceeds of the Bonds will be used, along with other available funds of the Township in the amount of \$3,218, to: (i) refund, on a current basis, a \$25,545,000 aggregate portion of the bond anticipation notes of the Township originally issued in the aggregate principal amount of \$25,548,218, dated March 6, 2018 and maturing March 5, 2019 (the "Prior Notes"); and (ii) pay the costs associated with the issuance of the Bonds.

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

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

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

1. The Ordinances and the Authorizing Resolution have been duly adopted by the Township Council and are in full force and effect.

2. The Bonds are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. For the payment of principal of and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

4. On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in its Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"); however, during tax years beginning before January 1, 2018, interest on the Bonds held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. Except as set forth in paragraph 5 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

We express no other opinion regarding other federal or State tax consequences arising with respect to the Bonds.

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

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, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Mount Laurel, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$25,545,000* General Obligation Bonds, Series 2019 (the "2019 Bonds"). The 2019 Bonds are being issued pursuant to a Resolution 19-R-35 duly adopted by the Township on January 28, 2019 (the "Resolution") and the bond ordinances of the Issuer named therein (the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2019 Bonds and in order to assist the Participating Underwriters 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 2019 Bonds (including persons holding 2019 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2019 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2017 Bond, including Beneficial Owners of in the 2019 Bonds.

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

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2019 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii).

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

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

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

"Participating Underwriter" shall mean the original underwriter of the 2019 Bonds required to comply with the Rule in connection with the offering of the 2019 Bonds.

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

"State" shall mean the State of New Jersey.

SECTION 3. Provision of Annual Reports.

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

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

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

SECTION 4. Contents of Annual Report. Annual Report shall mean: annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (i) the Township and overlapping indebtedness including a schedule of outstanding debt issued by the Township, (ii) the Township's most current adopted budget, (iii) property valuation information, and (iv) tax rate, levy and collection data. The audited financial information will be prepared in accordance with modified cash accounting as mandated by State of New Jersey statutory principles in effect from time to time or with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law and shall be filed electronically and accompanied by identifying information with the MSRB.

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2019 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2019 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2019 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (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 Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Township, if any such event reflects financial difficulties.

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

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

SECTION 6. Termination of Reporting 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 2019 Bonds. If such termination occurs prior to the final maturity of the 2019 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2019 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 2019 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 2019 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2019 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 2019 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

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

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

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

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2019 Bonds, and shall create no rights in any other person or entity.

Date March __, 2019

THE TOWNSHIP OF MOUNT LAUREL, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Tara Krueger,
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: \$25,545,000* GENERAL OBLIGATION BONDS, SERIES 2019,

Date of Issuance: March __, 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 March __, 2019. The Issuer anticipates that the Annual Report will be filed by _____.

Dated:

TOWNSHIP OF MOUNT LAUREL, IN THE
COUNTY OF BURLINGTON, NEW JERSEY

By: _____
Authorized Officer