TOWNSHIP OF LUMBERTON,
In the County of Burlington, New Jersey

NOTICE OF SALE
$5,236,920 BOND ANTICIPATION NOTES, SERIES 2020A
(Bank Qualified)

Sealed written proposals, telecopied proposals or e-mailed proposals (with the completed bid form scanned and attached) for the purchase of $5,236,920 Bond Anticipation Notes, Series 2020A (the "Notes") of the Township of Lumberton, in the County of Burlington, New Jersey (the "Township") will be received on **Thursday, April 16, 2020 until 11:00 a.m.** on behalf of the undersigned Chief Financial Officer via email communications with the Township's financial advisor, NW Financial Group, Inc. Emailed bids must be submitted in writing sent to Heather Litzebauer at hlitzebauer@nwfinancial.com. Ms. Litzebauer can be contacted with any questions at 201-937-7224. Bids must be received by 11:00 a.m. Bids submitted by telecopy or e-mail are the sole responsibility of the bidder and must be received by 11:00 a.m. The Township accepts no responsibility for the failure of any telecopied or e-mailed bids to be received on time for whatever reason. No telephone bids will be accepted. No bids will be received after 11:00 a.m. A determination as to the award will be made no later than 1:00 p.m. on that date.

The Notes will be issued by the Township, together with other budgeted funds, to (i) currently refund, together with $110,001 in a budget appropriation, the Township's $4,183,169 Bond Anticipation Note, Series 2019A, dated and issued on May 6, 2019 and maturing on May 5, 2020, (ii) temporarily finance $1,163,750 in costs of the Township's 2020 capital plan and (iii) pay for the costs of issuance for the Notes.

Each bid must offer to purchase the entire Note issue being offered at a price of not less than par and must specify a single rate of interest offered for the Notes. Interest shall be calculated on a 360-day year consisting of twelve 30-day months. Bids may be submitted by completing the proposal form attached hereto and made a part hereof and by submitting it in writing or by telecopy in accordance with this Notice of Sale. The Chief Financial Officer expects to award the Notes to the bidder specifying the lowest net interest payable by the Township. However, the Chief Financial Officer reserves the right to reject all bids or to award the Notes to a bidder other than the lowest bidder. The bidder, by submitting a bid agrees to accept the determination of the Chief Financial Officer.

The Notes will be "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

SPECIFICATIONS OF BOND ANTICIPATION NOTES

Principal Amount:	$5,236,920
Dated:	May 4, 2020
Maturity Date:	May 3, 2021
Interest Rate Per Annum:	Specified by successful bidder
Tax Matters:	Federal and State tax exempt

Bank Qualified:	Yes
Legal Opinion:	Malamut and Associates, LLC, Cherry Hill, NJ
Paying Agent:	The Township will act as paying agent
Closing:	
a. Date	May 4, 2020
b. Location	Township of Lumberton, 35 Municipal Drive Lumberton, New Jersey, or at such other place as agreed to by the Chief Financial Officer
Denominations:	$100,000 or greater, as specified by the successful bidder within 24 hours of award, as specified by the successful bidder within 24 hours of award, subject to approval of the Chief Financial Officer either (i) DTC Book-entry-only Registered Notes, or (ii) Bearer Notes
Payment:	Immediately available funds received prior to 11:00 a.m. on the date of closing

The Purchaser may designate the Notes as "Direct Purchase, Not Reoffered" on the attached bid sheet. If the Purchaser makes such designation, the Purchaser shall certify at closing that (i) it has not reoffered the Notes to the public and does not expect to do so and (ii) it has purchased the Notes for its own account (or the account of a related party) and not with a view to resell or distribute.

If the Notes are being purchased and reoffered for sale, the Purchaser may not reoffer the Notes to more than thirty-five (35) persons in order to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. The Purchaser must believe that each of the persons to whom the Notes is sold has such knowledge and experience in financial and business matters and that it is capable in evaluating the merits and the risks of the Notes as an investment and is not purchasing the Notes for more than one account with the intent to distribute the Notes.

The Notes will be noncallable general obligations of the Township. The full faith and credit of the Township will be pledged for the punctual payment, in accordance with their terms, of the principal of and the interest on the Notes.

At delivery of the Notes, the Township will furnish to the Purchaser customary closing documents, including (1) a certificate executed by the officials who execute the Notes stating that no litigation of any kind is now pending or, to their knowledge, threatened to restrain or enjoin the issuance or the delivery of the Notes or the levy or collection of taxes to pay the principal of or interest due on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or the levy or the collection of taxes, or affecting the validity of the Notes or the levy or the collection of taxes, and (2) the approving legal opinion of Malamut and Associates, LLC, Bond Counsel to the Township, in the form attached hereto as **Exhibit A**.

Determination of Issue Price for the Notes: In the event the Township receives at least three (3) qualifying bids for the Notes from underwriters, then the Issue Price for the Notes shall be established based on the reasonably expected initial offering prices of the Notes as of the Sale Date (the "Expected Offering Prices"). The Expected Offering Prices shall consist of the prices for each maturity of the Notes used by the winning bidder in formulating its bid to purchase the Notes. 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 Notes, then the Issue Price for the Notes shall be established based on the first price at which at least 10% of each maturity of the Notes 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 Notes. In the event that the winning bidder has not sold at least 10% of each maturity of the Notes 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 Notes 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 Notes 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 Notes to the Public).

It shall be the responsibility of the purchaser to have CUSIP identification numbers, if required, issued for the Notes. The request for the assignment of CUSIP identification numbers and the CUSIP Service Bureau charge shall be the responsibility of and shall be paid for by the Purchaser. CUSIP numbers must be communicated to Bond Counsel within 24 hours of the award of the Notes in order to have the CUSIP numbers printed on the Notes. Only one (1) CUSIP number is required for all Notes being sold pursuant to this Notice of Sale.

A Preliminary Official Statement will be available beginning on April 9, 2020 at www.govdebt.com.

Robin Sarlo, Chief Financial Officer
Dated: April 9, 2020

PROPOSAL FOR NOTES

April 16, 2020

Ms. Robin Sarlo
Chief Financial Officer
Township of Lumberton
35 Municipal Drive
Lumberton, New Jersey 08048

Dear Ms. Sarlo:

Subject to the provisions of the Notice of Sale for the purchase of $5,236,920 Bond Anticipation Notes, Series 2020A (the "Notes"), of the Township of Lumberton, in the County of Burlington, New Jersey, which is attached hereto and considered a part hereof, we offer to purchase the Notes on the following terms:

Amount of Notes	Price (not less than par)	Rate of Interest
$5,236,920	$____________	____________%

Authorized Bidder: ____

Signature: ____

Phone: ____

PLEASE COMPLETE THE FOLLOWING:

Interest Payable on Notes	$_______________________
Less: Premium, if any	$_______________________
Net Interest Payable	$_______________________
Net Interest Rate	_______________________%
Purchased and Reoffered for Sale	_____yes _____no
Direct Purchase, Not Reoffered	______yes _____no

THIS PORTION OF THE PROPOSAL IS NOT PART OF THE BID

<u>**Exhibit A**</u>

Form of Approving Opinion of Bond Counsel

May ____, 2020

Mayor and Township Committee
Township of Lumberton, in the
County of Burlington, New Jersey

Re: Township of Lumberton,
in the County of Burlington, New Jersey
$5,236,920 Bond Anticipation Notes, Series 2020A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Lumberton, in the County of Burlington, New Jersey (the "Township") of its $5,236,920 principal amount of Bond Anticipation Notes, Series 2020A (the "Notes"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated May 4, 2020, mature on May 3, 2021, bear interest at a rate of ___% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinance Nos. 2015-03-004, 2015-04-07, 2016-07, 2017-10, 2018-03 and 2020-04 (the "Ordinances"). The Notes are issued for the purpose of providing funds to finance, on a temporary basis, certain capital improvements as described in the Ordinances (the "Project").

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Internal Revenue Code of 1986, as amended (the "Code"), such documents, including the Ordinance, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

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

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. 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 Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"). We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

4. The Notes will be treated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

NEW ISSUE RATING: (See "RATING" herein)

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 9, 2020

In the opinion of Malamut & Associates, LLC, 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 Notes (as hereinafter defined), interest on the Notes 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. In the opinion of Bond Counsel, interest on the Notes 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.

$5,236,920
TOWNSHIP OF LUMBERTON
County of Burlington, New Jersey
BOND ANTICIPATION NOTES, SERIES 2020
(Bank Qualified) (Non-Callable)

Dated: May 4, 2020
Maturing: May 3, 2021
Rate of Interest: ______% per annum
Re-offering Yield: ______%

The Township of Lumberton, County of Burlington, New Jersey ("Township") is issuing $5,236,920 principal amount of its Bond Anticipation Notes, Series 2020 ("Notes"). The Notes shall be issued in fully registered book-entry-only form without coupons.

The principal of the Notes shall be paid on the respective maturity dates upon presentation and surrender of the Notes in the offices of the Chief Financial Officer or the Township's hereafter designed paying agent, if any. Interest on the Notes will be payable upon the maturity dates thereof. The Notes are not subject to redemption prior to their stated maturity dates thereof.

Upon initial issuance, the Notes 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 Notes. So long as Cede & Co. is the registered owner of the Notes, payments of principal of and interest on the Notes 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 Notes. Purchasers will not receive certificates representing their ownership interest in the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Note, 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 Note.

The Notes 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 2015-03-004; 2015-04-007; 2016-007; 2017-10; 2018-03, and 2020-04 ("Note Ordinances") the Township on the date hereof.

The Notes are being issued by the Township to provide funds which will be used to: (i) currently refund, together with $110,001 in a budget appropriation, the Township's $4,183,169 Bond Anticipation Note, Series 2019A, dated and issued on May 6, 2019 and maturing on May 5, 2020, (ii) temporarily finance $1,163,750 in costs of the Township's 2020 capital plan and (iii) pay for the costs of issuance for the Notes.

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

This cover 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 Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, 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 Notes. It is anticipated that the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about May 4, 2020.

BIDS WILL BE RECEIVED IN ACCORDANCE WITH THE TERMS OF THE NOTICE OF SALE
UNTIL 11:00 A.M. ON THURSDAY, APRIL 16, 2020
BY ELECTRONIC MAIL TO HLITZEBAUER@NWFINANCIAL.COM
FURTHER SET FORTH IN THE NOTICE OF SALE

TOWNSHIP OF LUMBERTON
COUNTY OF BURLINGTON, NEW JERSEY

Mayor and Township Committee
Ryan Tuno, Mayor
Kendra Hatfield, Deputy Mayor
James Dwyer, Committeeperson
Sean Earlen, Committeeperson
Rue Ryan, Committeeperson

Township Administrator
Brandon Umba

Chief Financial Officer/Tax Collector
Robin Sarlo

Municipal Clerk/Registrar
Bobbie Quinn

Solicitor
George Morris, Esquire
Mount Laurel, New Jersey

Auditor
Mercadien, P.C.
Hamilton, New Jersey

Bond Counsel
Malamut & Associates, LLC
Cherry Hill, New Jersey

Financial Advisor
NW Financial Group, LLC
Hoboken, New Jersey

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the office of the 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 Notes 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 the Underwriter. The Underwriter has reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES 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 PUBLIC OFFERING PRICES STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER 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.

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES REFERRED TO HEREIN, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

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OFFICIAL STATEMENT
OF THE
TOWNSHIP OF LUMBERTON
IN THE COUNTY OF BURLINGTON, STATE OF NEW JERSEY

RELATING TO

$5,236,920
TOWNSHIP OF LUMBERTON
IN THE COUNTY OF BURLINGTON,
NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2020

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Lumberton (the "Township"), in the County of Burlington (the "County"), New Jersey (the "State") in connection with the sale and issuance of $5,236,920 Notes, (the "Notes") of the Township.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from their dated date, and will mature on the date and in the amount, as shown on the front cover page hereof. The Notes shall bear interest, which is payable at maturity, at the interest rate set forth on the front cover page hereof. The Notes may be purchased in book-entry-only form in the amount of $5,000 or any integral multiple thereof, through book-entries made on the books and the records of The Depository Trust Company, New York, New York ("DTC") and its participants. See "Book-Entry-Only System". The Township will act as the "Note Registrar/Paying Agent" for the Notes.

Book-Entry-Only System[1]

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes 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 Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the

[1] Source: The Depository Trust Company

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 Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Notes 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 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, Note 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, Note 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 take any responsibility for the accuracy thereof.

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

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

Discontinuation of Book-Entry-Only System

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

Redemption

The Notes are not subject to redemption prior to maturity.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are being issued by the Township to provide funds which will be used to: (i) currently refund, together with $110,001 in a budget appropriation, the Township's $4,183,169 Bond Anticipation Note, Series 2019A, dated and issued on May 6, 2019 and maturing on May 5, 2020, (ii) temporarily finance $1,163,750 in costs of the Township's 2020 capital plan and (iii) pay for the costs of issuance for the Notes.

The Improvements to be temporarily financed with the proceeds of the Notes include the following:

Ordinance No.	Purpose	Original Amount Authorized	Prior Notes Authorized	Notes to Be Issued
2015-03-004	Various Capital Improvements	$1,178,000	$649,702	$609,147
2015-04-007	Various Capital Improvements	829,036	596,355	570,037
2016-007	Various Equipment and Capital Improvements	760,000	657,114	613,986
2017-10	Various Capital Improvements	1,900,000	1,900,000	1,900,000
2018-03	Various Capital Improvements	380,000	380,000	380,000
2020-04	Various Capital Improvements	1,225,000	---	1,163,750
Total Notes:		**$6,272,036**	**$4,183,171**	**$5,236,920**

Payment of Notes

As hereinafter stated, the Notes are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on Notes without limitation as to rate or amount.

SECURITY FOR THE NOTES

The Notes are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Notes. The Township is required by law to levy *ad valorem* taxes on all taxable real property in the Township for the payment of the principal, redemption premium, if any, of and the interest on the Notes, without limitation as to rate or amount.

The Township

The Township is located in Burlington County, New Jersey. See Appendix "A" for demographic and statistical information concerning the Township.

PROVISIONS FOR THE PROTECTION OF 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 or 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 (3.5%) 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. As shown in Appendix "A", as of December 31, 2019, the Township has not exceeded its statutory debt limit. The Township will not exceed its statutory debt limit with the issuance of the Notes.

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

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

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

Refunding Bonds – Refunding Bonds may be issued pursuant to the Local Bond Law for the purpose of paying and/or funding outstanding notes, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of such 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 municipality is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality'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 most recent fiscal year ended 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 municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities. The Unaudited Annual Financial Statement for the most recent fiscal year ended is on file with the Township Clerk and is available for review during business hours.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the NJ State statutes, 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 municipality 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 Notes. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (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:4-4546) in 2011 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 notes.

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 Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality 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.

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 Notes

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board of the State Department of Community Affairs (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of bonds or notes of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal or of interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Notes 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 municipality'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 NOTES.

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

TAX MATTERS

EXCLUSION OF INTEREST ON THE NOTES FROM GROSS INCOME FOR FEDERAL TAX PURPOSES

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, Malamut & Associates, LLC, Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax

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 Notes 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 Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes 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 includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes 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 Notes 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 Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note 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 Premium

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Notes to a purchaser (other than a purchaser who holds such Notes 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 note premium, which is not deductible from gross income for federal income tax purposes. Amortizable note premium, as it amortizes, will reduce the owner's tax cost of the Notes 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 Notes. Accordingly, an owner of the Notes may have taxable gain from the disposition of the Notes, even though the Notes is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Notes. Note premium amortizes over the term of the Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Notes should consult their own tax advisors with respect to the calculation of the amount of note 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 Notes.

Bank-Qualification

The Notes **will** be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

Additional Federal Income Tax Consequences of Holding the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, 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 Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

CHANGES IN FEDERAL TAX LAW REGARDING THE NOTES

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 Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. 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 Notes 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 Notes 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 NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, 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 NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

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 institutional 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, moneys or other funds belonging to them or within their control in any obligations of the Township including the Notes, and such Notes are authorized security for any and all public deposits.

LITIGATION

Upon delivery of the Notes, the Township shall furnish a certification of its counsel, George M. Morris, Esq. (the "Township Counsel"), dated the date of delivery of the Notes, to the effect that to his knowledge there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certification shall state that, to the Township Counsel's knowledge and information, there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material and adverse impact on the Township's ability to meet its obligations for the payment of the Notes.

SECONDARY MARKET DISCLOSURE

The Township has agreed to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c212. Specifically, the Township will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

A) Provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") notice of the occurrence of any of the following events within 10 business days of such occurrence with respect to the Notes:

(i) Principal or interest payment delinquencies on the Notes.
(ii) Non-payment related defaults, if material.
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
(v) Substitution of credit or liquidity providers, or their failure to perform.
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
(vii) Modifications to the rights of Noteholders, if material.
(viii) Note calls, if material, and tender offers.
(ix) Defeasances.
(x) Release, substitution or sale of property securing repayment of the Notes, if material.
(xi) Rating changes.
(xii) Bankruptcy, insolvency, receivership or similar event of the Township.
(xiii) 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.
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
(xv) 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 holders of the Notes, if material; and
(xvi) 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; and

If the Township fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Township for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The undertaking may be amended by the Township from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements or change in law, or a change in identity, nature, type of operation or status of the Township, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interest of the Noteholders and the beneficial owners of the Notes.

The Township has entered into prior undertakings to provide continuing disclosure for certain outstanding bond issues. In connection with such bond issues, the Township failed to timely file its financial and operating data for the fiscal year ended December 31, 2015. In addition, the Township failed to timely file notices with respect to such late filings. The Township has retained NW Financial Group, LLC to assist in connection with its continuing disclosure obligations.

In 2014, in response to the Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperative Initiative, the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs (the "Division") issued a Public Finance Notice to all Chief Financial Officers of local governments within New Jersey under its jurisdiction (the “Notice”). Among other things, this notice established certain baseline information that should be filed to EMMA on an annual basis by a local issuer including each issuer's annual financial statements, adopted budget, completed audit, operating data and material events. To encourage compliance with this directive, the Division is considering a requirement that the auditor of a local issuer certify that these filings are being made on an annual basis as part of the local issuer's annual audit. The Township is in the process of amending its internal procedures to comply with the recommendations of the Division's Notice.

There can be no assurance that there will be a secondary market for the sale or purchase of the Notes. 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 Township may affect the future liquidity of the Notes.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix “C” hereto. Certain legal matters will be passed on for the Township by the Township Counsel.

The various legal opinions to be delivered concurrently with the delivery of the Notes 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.

NO DEFAULT

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

RATING

S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC (the “Rating Agency”) has assigned the Notes a rating of “SP-1+”.

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 Notes 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 Notes.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____ (the "Underwriter") at a price of $__________.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the cover page hereof.

MUNICIPAL ADVISOR

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

RECENT FINANCIAL DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States. While the effects of COVID-19 may be temporary, it appears to be altering the behavior of businesses and people in a manner that may have negative impacts on global and local economies. In addition, stock markets in the United States and globally have seen significant recent declines that have been attributed to COVID-19 concerns. While any direct impact of COVID-19 on the Township, or the Note, is currently uncertain, the Township is monitoring the spread and effects of COVID-19, and is working with other appropriate governmental agencies at all levels in this regard.

PREPARATION OF OFFICIAL STATEMENT

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

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

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.

FINANCIAL STATEMENTS

Financial

Appendix "B" to this Official Statement contains (a) unaudited financial statements of the Township for the year ended December 31, 2019 and (b) audited financial statements of the Township for the years ended December 31, 2018, 2017, 2016, 2015 and 2014. The unaudited financial data was provided by the Township. 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, Voorhees, 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.

CERTIFICATES OF THE TOWNSHIP

Upon the delivery of the Notes, the original purchaser shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the Township, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the Township from that set forth in or contemplated by this Official Statement. In addition, the original purchaser of the Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefore, and a certificate dated as of the date of the delivery of the Notes and signed by the officers who signed the, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes, are issued, and that neither the corporate existence or boundaries of the Township, nor the title of any of the said officers to the respective offices, is being contested.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Robin Sarlo, Chief Financial Officer, Township of Lumberton at (609) 267-3217.

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.

MISCELLANEOUS

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

TOWNSHIP OF LUMBERTON,
IN THE COUNTY OF BURLINGTON, NEW JERSEY

By: ______________________________________
Robin Sarlo,
Chief Financial Officer

Dated: May __, 2020

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION ON THE TOWNSHIP

Overview

The Township, incorporated in 1860, is located in the north central portion of the County of Burlington ("County"). The Township is a partially developed residential community of approximately 13.34 square miles bounded on the north by the Townships of Hainesport, Mount Holly and Eastampton, on the east and south by the Townships of Medford and Southampton, and in the west by the Township of Mount Laurel.

Government Structure

The Township operates under a Township Committee form of government. The five-member Township Committee is elected to staggered three-year terms. A Mayor and Deputy Mayor are selected from the Township Committee by its members. Legislative and executive power is vested in the Township Committee.

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

Business Management

The Mayor and Township Committee in cooperation with the Township Administrator have taken an active role in the preparation and administration of the Township's annual operating and capital budgets. Joint purchasing agreements, shared service agreements, extensive use of state contract purchases, and the solicitation of competitive price proposals for a majority of purchases are just a few measures employed to reduce costs. User fees for Township services are continually examined and increased when needed, and an aggressive tax collection program contributes to the Township's financial well-being.

Fire Protection and Emergency Services

The Lumberton Fire Company #1 ("Fire Company") was founded in 1905. The Fire Company operates as a volunteer fire company with 23 active members. Dedicated volunteers undergo many hours of training to prepare for today's firefighting and rescue emergency challenges.

The Lumberton Emergency Squad ("Squad") was organized in October of 1978 and has developed into a 50-member organization of volunteer EMT's waiting to serve Township residents 24 hours a day, 7 days a week. The Squad has three basic life support ambulances equipped with all types of rescue equipment including The Jaws of Life, rescue air bags and two rescue boats.

Police

The Township's Police Department ("Department") is comprised of one Chief, two Lieutenants, four Sergeants, two Detectives, and 13 Patrolmen. The Department consists of a Patrol Division, an Emergency Services Unit, a Criminal Investigation Unit, and a K-9 Unit. This specialization has allowed the Department to take part in, and receive funding for, such program as, "Safe and Secure".

Support services include clerical personnel, crossing guards and a computerized criminal justice information system. Municipally employed full-time and part-time communication operators are utilized in conjunction with the county-wide 9-1-1 system.

Public Works

The Public Works Department is responsible for maintaining all Township owned property including buildings and grounds, recreation parks, athletic fields, roads, drainage systems, street signs, sidewalks, vehicles and equipment.

The Public Works Department is responsible for the disposal of trash. The Recycling Department along with the County handles the recyclable materials such as, paper, vegetative waste, commingled glass and cans, all metal items and untreated wood products. These expanded recycling efforts have led to reduce trash disposal costs as well as revenue generation.

Parks and Recreation

Recreation facilities in the Township include open space areas, athletic fields and courts of all kinds, playground sites, and tot lots. Other activities in the Township include, summer camps and Little League baseball, softball, soccer and football.

Transportation

The Township is located approximately 20 miles west of center city Philadelphia and 20 miles south of the City of Trenton. The Township has access to the major transportation arteries of Southern New Jersey. Route 38, a four-lane divided highway, crosses the Township, providing access to the office and light industrial centers in Mount Laurel and Cherry Hill Townships, as well as access across two major bridges into the City of Philadelphia. Access to the New Jersey Turnpike is provided by Exit 5, Mount Holly. The Township also has access to the north-south Interstate 295.

Health Care Facilities

The Township is serviced by the Virtua Memorial Hospital located in Mount Holly.

Water and Sewer Services

Water service is provided by the American Water Company. Sewer service is provided by the Mount Holly Municipal Utilities Authority.

Business and Industry

Most construction within the Township in 2019 has been in the form of new construction on vacant underutilized land located primarily along State Highway Route 38. The new construction consisted of a 1,850 square foot Starbucks Store with Drive Thru, a 3,355 square foot Republic Bank Branch and a 9,656 square foot CVS Pharmacy Retail Store with Drive Thru. In addition, renovations were done to a vacant 144,000 square foot commercial building located a 100 Mount Holly Bypass, which will now host both Miles Technology and ICC Trek Connect Inc. Also, extensive renovations were conducted at a vacant 12,000 square foot commercial building and property located at 1799 Route 38 to host the sale, repair and training of operators of Ditch Witch Construction Equipment. Additionally on the residential front, a new development called the Waverly Pointe Development was completed and consists of 25 single family dwellings located on a formally vacant property off of Municipal Drive. Future municipally approved projects which will break ground within the year are a 200,000 square foot commercial/warehouse building located at 111 Mt. Holly Bypass as well as a planned community called Wellington Farms, located off of 1788 Route 38, consisting of 106,000 square feet of retail, a 300 unit apartment complex, a 70 unit affordable housing condo complex and 92 single family dwellings.

Township Employees

	December 31,				
	2019	**2018**	**2017**	**2016**	**2015**
Permanent	46	45	44	43	40
Part-time	33	26	24	23	22
Total	79	71	68	66	62

Employee Collective Bargaining Units

Collective Bargaining Units	Employees Represented	Contract Expiration Date
Police Officers' Association	19	Dec. 31, 2022
Public Works and White Collar Clerical - AFSCMA	25	Dec. 31, 2019 *

Compensated Absences

Full-time employees, other than Police Department employees, are entitled to ten paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward for up to either two or three years depending on the Collective Bargaining Agreement. For additional information regarding compensated absences, (see Appendix B: Audited Financial Statements, Note 8).

Pension Plans

Those Township employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, (see Appendix B: Audited Financial Statements, Note 6).

Township Population (1)

2010 Federal Census	12,559
2000 Federal Census	10,461
1990 Federal Census	6,705
1980 Federal Census	5,236
1970 Federal Census	3,945

Selected Census 2017 Data for the Township(1)

Median household income	$84,558
Median family income	$117,115
Per capita income	$42,433

* Currently under negotiations
(1) Source: U.S. Department of Commerce, Bureau of Census.

Township Labor Force (1)

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

	2018	2017	2016	2015	2014
Township					
Labor Force	6,189	6,249	6,280	6,362	6,308
Employment	5,944	5,995	5,988	6,043	5,894
Unemployment	245	254	292	319	414
Unemployment Rate	4.0%	4.1%	4.6%	5.0%	6.6%
County					
Labor Force	227,445	230,174	230,271	232,359	229,579
Employment	218,877	220,764	219,995	220,281	214,868
Unemployment	8,568	9,410	10,276	12,078	14,711
Unemployment Rate	3.8%	4.1%	4.5%	5.2%	6.4%
State					
Labor Force	4,422,900	4,453,500	4,474,700	4,543,800	4,513,600
Employment	4,239,600	4,247,500	4,252,100	4,288,800	4,209,700
Unemployment	183,400	206,000	222,600	255,000	303,900
Unemployment Rate	4.1%	4.6%	5.0%	5.6%	6.7%

TEN LARGEST PRIVATE EMPLOYERS IN THE COUNTY(2)

Company	Nature of Business	Number of Employees
Virtua of Burlington County	Healthcare	6,527
TD Bank	Banking	5,000
Lockheed Martin	Defense and aerospace	4,250
Burlington Coat Factory	Retail	3,013
Amazon	Distribution Center	3,000
Freedom Mortgage	Mortgage Lender	1,377
CVS/Mark Steven Service Merchandisers, Inc.	Distribution center	1,364
Automotive Resources Int. (ARI)	Motor Vehicle Lender	1,334
Deborah Heart and Lung Center	Healthcare	1,219
Wawa	Retail	1,200
Viking Yacht Co.	Boat builder and repair	1,180

Building, Zoning and Development Codes

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

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

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

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(1) Source: New Jersey Department of Labor
(2) Source: Burlington County Department of Economic Development

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

Building Permits Issued (1)

Year	Number of Permits Issued	Value of Construction
2020 (2)	101	$ 1,041,663
2019	616	13,617,833
2018	621	14,358,384
2017	896	14,837,719
2016	839	9,978,261
2015	613	13,306,888

GENERAL INFORMATION ON THE SCHOOL DISTRICT(3)

Primary and Secondary Education

As a type II district, the Township of Lumberton School District ("School District") functions independently through a nine-member board, elected by the voters for alternate three-year terms.

The School District has a total of four schools: three elementary schools and one middle school. Township high school students attend Rancocas Valley Regional High School District along with students from the Townships of Eastampton, Hainesport, Mount Holly and Westampton.

In December 2001, the School District issued Bonds in the amount of $5,160,000 the finance the construction of a new elementary school, additions and renovations to the Bobby's Run School and the Lumberton Middle School and renovations at the Florence L. Walther School.

TOWNSHIP OF LUMBERTON SCHOOL DISTRICT
SCHOOL ENROLLMENTS(3)

			October 15,		
Grade	2019	2018	2017	2016	2015
K (Full day)	100	103	99	102	84
1	97	97	95	82	127
2	92	90	84	124	111
3	90	89	121	110	113
4	86	116	117	117	133
5	114	107	129	130	133
6	114	123	132	140	122
7	124	138	145	123	142
8	144	140	125	154	127
Special Education	211	214	213	273	305
Totals	1,172	1,217	1,260	1,355	1,397

(1) Source: Township Construction Official
(2) As of March 1, 2020
(3) Source: School District officials

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

Name of School	Date Constructed	Renovations/ Additions	Grades	Functional Capacity
Florence L. Walther	1917	1956, 1965, 1990	PK-1	471
Ashbrook School	Not Available	Not Available	2-3	402
Bobby's Run	1998	1999	4-5	415
Lumberton Middle	1190	1998	6-8	634
Totals				1,922

RANCOCAS VALLEY REGIONAL HIGH SCHOOL DISTRICT ENROLLMENTS(2)(3)

	October 15,				
	2019	2018	2017	2016	2015
Total	676	681	680	700	689

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

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

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

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

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(1) Source: School District officials
(2) Source: Regional School District officials
(3) Lumberton Township students only

RCBC's fall 2019 enrollment in academic courses was 8,493 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

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

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, is 2,092 students as of June 30, 2019.

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

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

Burlington County Special Services School District

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton, Medford, and Mount Laurel and programs are provided for: (1) the orthopedically handicapped, the multiple handicapped, autistic and deaf and hard of hearing; (2) elementary school students with severe emotional and social problems; (3) students ages fourteen (14) through twenty-one (21) with educational needs which are beyond the capabilities of existing local school boards and regions; and (4) trainable mentally retarded young people from ages fourteen (14) to twenty-one (21). The enrollment for the Special Services School District for the 2018-19 academic year is 590 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS(1)

Name of Taxpayer	Nature of Business	2020 Assessed Valuation
CVS	Distribution center	$31,950,000
The Estaugh	55+ Community	29,812,800
Whitehall Apartments Associates	Apartment complex	12,900,000
BF Saul Holdings LTD Partnership	Retail	12,000,000
Newman Development Group of Hainesport	Retail	10,354,400
WalMart	Retail	10,116,600
Mt. Holly By-Pass LLC	Industrial	9,364,600
East Coast Lumberton Apartments, LLC	Apartment Complex	8,400,000
Evergreen I Associates, LLC	Retail	7,000,000
M Shen Associates LLC	Industrial	6,122,400

CURRENT TAX COLLECTIONS(2)

		Collected in Year of Levy		Outstanding Year-end	
Year	Total Levy	Amount	Percentage	Amount	Percentage
2019 (3)	$33,130,411	$32,589,071	98.36%	$319,947	0.97%
2018	32,578,700	31,960,041	98.10	452,263	1.39
2017	32,029,479	31,459,414	98.22	401,934	1.25
2016	31,592,341	31,129,587	98.54	252,487	0.80
2015	31,242,429	30,804,249	98.60	295,590	0.95

DELINQUENT TAXES(2)

			Collected				
Year	Outstanding Beginning	Added	Amount	Percentage	Transferred To Liens	Other Credits	Outstanding Year-end
2019 (3)	$452,263	$1,000	$398,793	87.98%	$52,214	---	$2,256
2018	401,934	2,000	390,916	96.78	9,958	$3,060	---
2017	252,487	2,894	243,405	95.31	9,073	2,903	---
2016	295,590	7,218	293,723	97.00	---	9,059	26
2015	262,458	---	235,799	89.84	5,468	21,170	21

TAX TITLE LIENS(2)

Year	Balance Beginning	Added by Sales and Transfers	Collected	Transfers/ Cancellations	Balance Year-end
2019 (3)	$563,191	$166,658	$22,692	$133	$707,024
2018	501,249	66,486	4,544	---	563,191
2017	454,262	61,208	14,221	---	501,249
2016	439,710	42,882	28,330	---	454,262
2015	390,406	49,304	---	---	439,710

(1) Source: Tax Assessor
(2) Source: Township Reports of Audit, unless otherwise noted
(3) Information from Unaudited Annual Financial Statement

FORECLOSED PROPERTY (1)(3)

Year	Balance Beginning	Added by Transfers	Adjustment to Assessed Valuation	Balance Year-End
2019 (2)	---	---	---	---
2018	---	---	---	---
2017	---	---	---	---
2016	---	---	---	---
2015	---	---	---	---

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES(4)

Year	Net Assessed Valuation	Tax Rate(5)				
		Total	County	Local School	Municipal(6)	Regional High School
2019	$1,376,872,891	$2.390	$.399	$1.113	$.410	$.468
2018	1,378,869,924	2.354	.394	1.082	.415	.463
2017	1,383,760,671	2.310	.398	1.061	.421	.430
2016	1,390,079,001	2.260	.387	1.023	.431	.419
2015	1,391,372,996	2.243	.400	1.019	.426	.398

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA(7)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	Full Value per Capita(8)
2019	$1,374,958,863	99.94%	$1,375,784,334	$109,546
2018	1,376,966,740	101.76	1,353,151,278	107,744
2017	1,381,877,163	102.07	1,353,852,418	107,799
2016	1,388,175,993	105.23	1,319,182,736	105,039
2015	1,389,375,723	105.23	1,320,322,839	105,130

REAL PROPERTY CLASSIFICATION(9)

Year	Assessed Value Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments	Farmland
2019	$1,374,958,863	$12,351,900	$1,115,666,300	$131,763,500	$64,227,623	$29,091,200	$21,858,340
2018	1,376,966,740	12,629,500	1,114,412,500	132,281,700	65,927,600	29,091,200	22,624,240
2017	1,381,877,163	12,824,500	1,119,987,200	132,703,400	65,927,623	29,091,200	21,343,240
2016	1,388,175,993	13,099,100	1,126,496,400	132,408,200	66,027,623	29,091,200	21,053,470
2015	1,389,375,723	9,972,300	1,130,249,300	132,675,900	65,632,623	29,091,200	21,754,400

(1) Source: Township Reports of Audit, unless otherwise noted
(2) Information from Unaudited Annual Financial Statement
(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services
(4) Source: Township Tax Collector
(5) Per $100 of assessed valuation
(6) Includes Open Space Tax of $0.01
(7) Source: State of New Jersey, Division of Taxation
(8) Based on Census 2010 of 12,559
(9) Source: Township Tax Assessor

TOWNSHIP OF LUMBERTON
STATEMENT OF INDEBTEDNESS(1)

The following table summarizes the direct debt of the Township as of December 31, 2019 in accordance with the requirements of the Local Bond Law. The gross debt is comprised of short and long-term debt issued, including General, and debt of the Local and Regional High School Districts. Deductions from gross debt to arrive at net debt include local and regional high school district debt. The resulting net debt of $10,025,018 represents .727% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Gross	Deductions School	Net
	Bonds	Notes	Loans	Debt	Debt	Debt
General	$5,683,000	$4,183,169	$158,849	$10,025,018		$10,025,018
School District	9,451,000			9,451,000	$9,451,000	
Regional School District	9,932,481			9,932,481	9,932,481	
	$25,066,481	$4,183,169	$158,849	$29,408,499	$19,383,481	$10,025,018

(1) As of December 31, 2019

Source: Township Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	$1,379,357,992
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	0.73%
2019 Net Valuation Taxable	$1,376,872,891
2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$1,377,698,362
Gross Debt (2):	
As a percentage of 2019 Net Valuation Taxable	2.14%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	2.13%
Net Debt (2):	
As a percentage of 2019 Net Valuation Taxable	0.73%
As a percentage of 2019 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.73%
Gross Debt Per Capita (3)	$2,342
Net Debt Per Capita (3)	$798

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements ($1,379,357,992)	$48,277,530
Net Debt	10,025,018
Remaining Borrowing Capacity	$38,252,512

LOCAL BOARD OF EDUCATION BORROWING CAPACITY(1)

3% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements ($1,379,357,992)	$41,380,740
Local School Debt	9,451,000
Remaining Borrowing Capacity	$31,929,740

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)

3% of Average (2017-19) Equalized Valuation of Real Property including Improvements ($4,516,303,542)	$135,489,106
Regional High School Debt(4)	32,521,000
Remaining Borrowing Capacity	$102,968,106

(1) As of December 31, 2019
(2) Excluding overlapping debt
(3) Based on 2010 Federal Census of 12,559
(4) Debt portion allocated to the Township $9,932,481

TOWNSHIP OF LUMBERTON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2019

	DEBT ISSUED									
	Debt Outstanding		Deductions			Net Debt Outstanding		Net Debt Outstanding Allocated to the Issuer		**Debt Auth. but not Issued**
County of Burlington:										
General										
Bonds	$ 195,644,000	$	20,051,390	(1)	$	175,592,610	$	5,039,508	(2)	
Notes	23,000,000					23,000,000		660,100	(2)	$ 15,863,827
Loans	6,854,573					6,854,573		196,726	(2)	
Bonds Issued by Other Public Bodies										
Guaranteed by the County	409,610,800		409,610,800	(3)						
Solid Waste Utility	43,985,000		43,985,000							2,526,193
	$ 679,094,373	$	473,647,190		$	205,447,183	$	5,896,334		$ 18,390,020

(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 2019 Net Valuations on which County taxes are apportioned, which is 2.87%.
(3) Deductible in accordance with N.J.S. 40:37A-80.

TOWNSHIP OF LUMBERTON
DEBT SERVICE (1)

	All Issues - General Serial Bonds			NJEIT Loans Payable		
Year	Principal	Interest	Total	Principal	Interest	Total
2020	$ 315,000.00	$ 182,883.76	$ 497,883.76	$ 78,848.75	$ 7,362.50	$ 86,211.25
2021	320,000.00	174,083.76	494,083.76	80,000.00	3,800.00	83,800.00
2022	325,000.00	165,183.76	490,183.76			
2023	325,000.00	155,683.76	480,683.76			
2024	325,000.00	144,683.76	469,683.76			
2025	323,000.00	133,683.76	456,683.76			
2026	185,000.00	121,543.76	306,543.76			
2027	190,000.00	114,043.76	304,043.76			
2028	195,000.00	107,318.76	302,318.76			
2029	200,000.00	101,393.76	301,393.76			
2030	200,000.00	95,393.76	295,393.76			
2031	205,000.00	89,318.76	294,318.76			
2032	210,000.00	82,962.51	292,962.51			
2033	215,000.00	76,321.88	291,321.88			
2034	220,000.00	69,387.50	289,387.50			
2035	225,000.00	62,156.25	287,156.25			
2036	230,000.00	54,762.50	284,762.50			
2037	235,000.00	47,059.38	282,059.38			
2038	245,000.00	38,959.38	283,959.38			
2039	245,000.00	30,537.50	275,537.50			
2040	250,000.00	21,875.00	271,875.00			
2041	250,000.00	13,125.00	263,125.00			
2042	250,000.00	4,375.00	254,375.00			
	$ 5,683,000.00	$ 2,086,737.02	$ 7,769,737.02	$ 158,848.75	$ 11,162.50	$ 170,011.25

(1) As of December 31, 2019

TOWNSHIP OF LUMBERTON
2020 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:		
Fund Balance	$	950,000.00
Miscellaneous Revenues:		
Local Revenues		383,432.00
State Aid without Offsetting Appropriations		1,283,043.00
Dedicated Uniform Construction Code Fees		282,535.00
Shared Service Agreements		8,900.00
Public and Private Programs Offset with Appropriations		258,175.61
Other Special Items of Revenue		657,887.06
Receipts from Delinquent Taxes		250,000.00
Amount to be Raised by Taxation for Municipal Purposes		5,521,726.33
Total Appropriated Revenues	$	9,595,699.00
Appropriations:		
Within CAPS:		
Operations	$	6,430,596.00
Deferred Charges and Statutory Expenditures		949,209.88
Excluded from CAPS:		
Other Operations		13,500.00
Shared Service Agreements		8,900.00
Public and Private Programs		258,175.61
Capital Improvements		500,000.00
Debt Service		886,776.00
Reserve for Uncollected Taxes		548,541.51
Total Appropriations	$	9,595,699.00

(1) As introduced

TOWNSHIP OF LUMBERTON
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2020 - 2025 (1)

	Estimated Total Cost	Current Year 2020	Bonds and Notes General
Phase II Municipal Drive Resurfacing	$ 50,000.00	$ 2,500.00	$ 47,500.00
2020 Roads Program	500,000.00	25,000.00	475,000.00
3 Police SUVs	150,000.00	7,500.00	142,500.00
Various Equipment for Police Department	12,000.00	600.00	11,400.00
Various Equipment for the Clerk's Office	7,000.00	350.00	6,650.00
Computers for Various Departments	26,000.00	1,300.00	24,700.00
SUV for the Fire Bureau	45,000.00	2,250.00	42,750.00
SUV for the Administration Department	35,000.00	1,750.00	33,250.00
Reconstruction of Ironwood Outdoor Park	100,000.00	13,750.00	86,250.00
DPW Brush Chipper and Chipper Box	90,000.00	4,500.00	85,500.00
DPW Vehicle Lifts for Mechanics	10,000.00	500.00	9,500.00
SCBAs for Fire Department	100,000.00	5,000.00	95,000.00
Relocation of Emergency Siren	100,000.00	5,000.00	95,000.00
	$ 1,225,000.00	$ 70,000.00	$ 1,155,000.00

(1) As introduced

APPENDIX B

UNAUDITED AND AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP

FOR THE YEAR ENDED 2019

UNAUDITED FINANCIAL STATEMENTS

PREPARED AND PRESENTED BY THE TOWNSHIP

TOWNSHIP OF LUMBERTON
CURRENT FUND
Statement of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2019

Assets:		
Regular Fund:		
Cash	$	4,843,533.93
Due from/to State - Veterans and Senior Citizens		7,026.11
		4,850,560.04
Receivables and Other Assets with Full Reserves:		
Taxes Receivable		322,203.30
Tax Title Liens Receivable		707,024.22
Revenue Accounts Receivable		13,538.96
		1,042,766.48
Federal and State Grant Fund:		
Cash		99,937.25
Grants Receivable		113,301.95
		213,239.20
	$	6,106,565.72
Liabilities, Reserves and Fund Balance:		
Regular Fund:		
Appropriation Reserves	$	302,037.36
Reserve for Encumbrances		85,726.61
Due to State of New Jersey:		
Training Fees		5,850.00
Marriage License Fees		325.00
Prepaid Taxes		244,183.49
Local School Tax Payable		165,167.50
Regional HS Tax Payable		(4.08)
Due County for Added and Omitted Taxes		37,423.41
		840,709.29
Reserves for Receivables		1,042,766.48
Fund Balance		4,009,850.75
		5,052,617.23
Federal and State Grant Fund:		
Reserve for Encumbrances		33,733.15
Appropriated Reserves		179,506.05
		213,239.20
	$	6,106,565.72

Prepared and presented by the Township (Unaudited).

TOWNSHIP OF LUMBERTON
CURRENT FUND
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Year Ended December 31, 2019

Revenue and Other Income Realized:	
Fund Balance Utilized	$ 1,067,455.00
Miscellaneous Revenues Anticipated	3,142,100.24
Receipts from Delinquent Taxes	421,484.97
Receipts from Current Taxes	32,589,070.88
Nonbudget Revenues	226,363.59
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	343,064.66
Prior Year Utility Appropriation Reserves Cancelled	300,483.96
	38,090,023.30
Expenditures:	
Budget and Emergency Appropriations:	
Appropriations Within "CAPS"	
Operations:	
Salaries and Wages	3,252,635.00
Other Expenses	3,060,255.00
Deferred Charges and Statutory Expenditures	885,868.37
Appropriations Excluded from "CAPS"	
Operations:	
Salaries and Wages	73,970.00
Other Expenses	445,402.12
Capital Improvements	452,000.00
Municipal Debt Service	1,222,756.77
County Taxes	5,477,762.48
Due County for Added and Omitted Taxes	37,423.41
Local District School Tax	15,083,044.50
Regional High School Tax	6,449,447.00
Municipal Open Space Tax	138,627.50
Interfund Created	
Prior Year Senior Citizen Deduction Disallowed	1,000.00
	36,580,192.15
Excess in Revenues	1,509,831.15
Fund Balance January 1	3,567,474.60
Total	5,077,305.75
Decreased by:	
Utilization as Anticipated Revenue	1,067,455.00
Fund Balance December 31	$ 4,009,850.75

Prepared and presented by the Township (Unaudited).

TOWNSHIP OF LUMBERTON

TRUST FUND

Statement of Assets, Liabilities and Reserves -- Regulatory Basis

As of December 31, 2019

Assets:		
Animal Control Fund:		
Cash - Chief Financial Officer	$	4,007.87
Other Funds:		
Cash - Chief Financial Officer		729,898.43
Cash - Tax Collector		97,560.55
Investments - Length of Service Awards Program		441,255.44
Due from Self Insurance Management Company		113,097.02
		1,381,811.44
	$	1,385,819.31
Liabilities and Reserves:		
Animal Control Fund:		
Due to Current Fund	$	2.59
Reserve for Animal Control Fund Expenditures		4,005.28
		4,007.87
Other Funds:		
Due to Current Fund		34.78
Miscellaneous Trust Reserves:		
Fire Safety Penalties		8,132.04
Sanitary Landfill Closure Escrow		18,356.44
Self Insurance		113,097.02
Unemployment Compensation Trust		16,703.41
Developers' Escrow		453,780.78
Payroll Deductions Payable		11,076.78
Tax Sale Certificate Redemption		5,960.55
Recreation Fees		2,956.27
Tax Sale Premiums		91,600.00
Federal Forfeited Funds		812.70
Municipal Forfeited Funds		4,924.98
Accumulate Leave Absence		147,384.39
Police Outside Employment		56,108.79
Trust Other		500.00
Public Defender		1,077.50
Environmental Commission Nature Trail		7,685.00
FSA - Cafeteria Plan		364.57
Length of Service Awards Program		441,255.44
		1,381,811.44
	$	1,385,819.31

Prepared and presented by the Township (Unaudited).

TOWNSHIP OF LUMBERTON

GENERAL CAPITAL FUND

Statement of Assets, Liabilities, Reserves and Fund Balances -- Regulatory Basis

As of December 31, 2019

Assets:		
Cash	$	334,746.42
Deferred Charges to Future Taxation:		
Funded		4,183,169.00
Unfunded		5,841,848.75
	$	10,359,764.17
Liabilities, Reserves and Fund Balance:		
Contracts Payable	$	199,950.11
Improvement Authorizations:		
Funded		46,453.65
Unfunded		6,521.19
Bond Anticipation Notes		4,183,169.00
General Serial Bonds		5,683,000.00
New Jersey Environmental Infrastructure Loans Payable		158,848.75
Fund Balance		81,821.47
	$	10,359,764.17

Prepared and presented by the Township (Unaudited).

FOR THE YEARS ENDED 2018, 2017, 2016, 2015 AND 2014

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Lumberton
Lumberton, New Jersey 08048

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 Lumberton, in the County of Burlington, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, 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 entity'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 entity'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.

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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 Lumberton, in the County of Burlington, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, 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 Lumberton, in the County of Burlington, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* The adoption of this new accounting principle resulted in a material note disclosure (see note 7). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Respectfully submitted,

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

/s/ L. Jarred Corn
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 8, 2019

TOWNSHIP OF LUMBERTON

CURRENT FUND

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

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Regular Fund:					
Cash	$ 4,618,476	$ 5,249,649	$ 3,315,824	$ 2,772,680	$ 2,267,760
Due from State of New Jersey:					
Senior Citizens' and Veterans' Deductions	7,026	6,276	7,026	7,526	7,147
Delinquent Property Taxes Receivable	452,263	401,934	252,487	295,590	262,458
Tax Title Liens Receivable	563,191	501,249	454,262	439,710	390,406
Special Assessment Liens Receivable			8,342	8,342	8,342
Other Accounts Receivable	418,151	243,946	536,083	79,880	79,268
Revenue Accounts Receivable	13,539	12,825	12,218	19,198	18,613
Prepaid Local District School Taxes					
Prepaid Regional High School Taxes	4	4	4	4	4
Interfunds Receivable	300,476	7,110	34,530	126,447	152,094
Total Assets	$ 6,373,126	$ 6,422,994	$ 4,620,776	$ 3,749,378	$ 3,186,091
LIABILITIES, RESERVES AND FUND BALANCE					
Regular Fund:					
Liabilities:					
Appropriations Reserves	$ 404,545	$ 631,190	$ 777,873	$ 705,994	$ 765,522
Reserve for Encumbrances	86,326	225,083	81,766	57,100	46,718
Accounts Payable		3,881			
Due to Mount Holly Municipal Utilities Authority					7,227
Prepaid Taxes	303,710	1,054,774	211,447	171,494	158,507
Tax Overpayments	8,568	193,859	0	5,459	196
Local School District Taxes Payable	165,167	140,906	165,167	165,167	102,439
Due County for Added and Omitted Taxes	20,115	11,130	30,642	6,015	7,998
Due to State of New Jersey:					
Marriage License Fees	300	1,050	450	150	870
Training Fees	2,859	2,808	5,064	8,581	2,305
Interfunds Payable	300,000	9	353,631	376,795	588,263
Reserves for Receivables and Other Assets	1,329,473	923,122	761,843	819,625	762,250
Reserves for Federal and State Grants	184,589	310,808	211,712	139,057	321,773
Fund Balance	3,567,475	2,924,374	2,021,182	1,293,941	422,024
Total Liabilities, Reserves, and Fund Balance	$ 6,373,126	$ 6,422,994	$ 4,620,776	$ 3,749,378	$ 3,186,091

The accompanying notes to financial statements are an integral part of these statements.

TOWNSHIP OF LUMBERTON
CURRENT FUND
Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Years Ended,				
	2018	2017	2016	2015	2014
Revenue and Other Income Realized					
Surplus Utilized	$ 307,500	$ 307,500	$ 307,500	$ 307,500	$ 307,500
Miscellaneous Revenue Anticipated	3,242,720	3,045,413	3,062,286	2,790,361	3,020,643
Receipts from Delinquent Taxes	395,460	257,627	330,135	235,799	185,935
Receipts from Current Taxes	31,960,041	31,459,414	31,129,587	30,804,249	29,745,947
Non Budget Revenues and Other Income	670,137	787,299	701,368	765,123	433,627
Total Income	36,575,858	35,857,253	35,530,876	34,903,031	33,693,652
Expenditures					
Budget and Emergency Appropriations:					
Operating	6,762,114	6,404,026	6,521,580	5,929,732	5,908,129
Deferred Charges and Statutory Expenditures	826,653	776,332	717,657	696,753	623,005
Capital Improvements	235,000	785,000	636,000	694,000	550,000
Municipal Debt Service	956,324	695,840	1,189,753	1,184,626	1,532,905
Deferred Charges Excluded from "CAPS"					327
Local District School Tax	14,800,473	14,448,378	14,187,946	13,997,108	13,983,664
Regional High School Taxes	6,171,020	5,893,109	5,689,409	5,522,310	5,527,393
County Taxes Payable	5,413,171	5,491,186	5,373,909	5,553,776	5,082,655
Due County for Added and Omitted Taxes	20,115	11,130	30,642	6,015	7,998
Municipal Open Space Taxes	138,397	138,656	139,808	139,293	139,864
Refund of Prior Years' Revenues			8,082		
Refund of Prior Years' Cancellations--Tax Sale Premiums					
Due to State of New Jersey - Prior Year Veteran and Senior Citizens' Deduction Disallowed by Collector	2,000	2,894	1,351		750
Creation of Reserves for Interfunds	299,991	9			77,871
Creation of Reserves for Regional Prepaid High School Taxes					1
Creation of Reserves for Prepaid Local District School Taxes					
Total Expenditures	35,625,258	34,646,561	34,496,136	33,723,613	33,434,562
Excess in Revenue	950,601	1,210,693	1,034,740	1,179,418	259,090
Adjustment to Income before Surplus:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	-	-	-	-	-
Statutory Excess to Fund Balance	950,601	1,210,693	1,034,740	1,179,418	259,090
Fund Balance January 1	2,924,374	2,021,182	1,293,942	422,024	470,434
	3,874,975	3,231,874	2,328,682	1,601,442	729,524
Decreased by:					
Utilization as Anticipated Revenue	307,500	307,500	307,500	307,500	307,500
Balance December 31	$ 3,567,475	$ 2,924,374	$ 2,021,182	$ 1,293,942	$ 422,024

The accompanying notes to financial statements are an integral part of these statements.

TOWNSHIP OF LUMBERTON

TRUST FUNDS

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

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Animal Control Fund:					
Cash	$ 806	$ 13,058	$ 16,897	$ 23,496	$ 28,290
Total Animal Control Fund	806	13,058	16,897	23,496	28,290
Municipal Open Space Fund:					
Cash	288,473	301,851	301,606	317,157	61,916
Due from Burlington County -					
Open Space Installment Purchase Note Receivable		14,000	28,000	42,000	56,000
Due from Current Fund				156	143,220
Due from Federal and State Grant Fund					219,512
Total Municipal Open Space Fund	288,473	315,851	329,606	359,313	480,648
Other Funds:					
Cash	2,310,567	2,232,815	2,338,081	2,172,678	2,579,678
Prepaid Payroll					54,799
Due from Current Fund					
Total Other Funds	2,310,567	2,232,815	2,338,081	2,172,678	2,634,477
Total Assets	$ 2,599,845	$ 2,561,724	$ 2,684,584	$ 2,555,486	$ 3,143,415
LIABILITIES, RESERVES AND FUND BALANCES					
Animal Control Fund:					
Prepaid Licenses				$ 70	$ 70
Due to State of New Jersey - Registration Fees	$ 2	$ 8		8	9
Reserve for Animal Control Fund Expenditures	803	13,050	$ 16,897	17,483	17,717
Due to Current Fund				5,935	10,494
Total Animal Control Fund	806	13,058	16,897	23,496	28,290
Municipal Open Space Fund:					
Due to Burlington County - Farmland Preservation	1,269	1,269	1,269	1,269	1,269
Reserve for Future Use	287,204	314,582	328,337	358,044	479,379
Interfunds Payable					
Total Municipal Open Space Fund	288,473	315,851	329,606	359,313	480,648
Other Funds:					
Due to Current Fund	476	7,101	34,530	50,846	71,933
Reserve for Unemployment Compensation Insurance	41,852	40,651	55,622	71,623	70,169
Reserve for Payroll Deductions Payable	7,557	35,059	32,352	3,149	2,114
Miscellaneous Trust Other Reserves	2,260,682	2,150,004	2,215,576	2,047,061	2,490,261
Total Other Funds	2,310,567	2,232,815	2,338,081	2,172,678	2,634,477
Total Liabilities, Reserves and Fund Balances	$ 2,599,845	$ 2,561,724	$ 2,684,584	$ 2,555,486	$ 3,143,415

The accompanying notes to financial statements are an integral part of these statements.

TOWNSHIP OF LUMBERTON

GENERAL CAPITAL FUND

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

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Cash	$ 788,810	$ 5,078,154	$ 1,317,861	$ 1,575,042	$ 439,761
Deferred Charges to Future Taxation:					
Funded	6,282,674	6,861,526	2,547,244	3,620,069	4,659,597
Unfunded	4,685,916	4,410,916	7,748,786	2,410,786	911,186
Due from Current Fund					142,065
Due from Federal and State Grant Fund			353,631	306,972	13,800
Federal, State, and Other Grants Receivable			5,588	350,000	381,710
Total Assets	$ 11,757,400	$ 16,350,596	$ 11,973,110	$ 8,262,870	$ 6,548,119
LIABILITIES, RESERVES AND FUND BALANCE					
Bond Anticipation Notes	$ 4,685,916	$ 2,681,566	$ 2,995,786	$ 2,235,786	
General Serial Bonds	5,993,000	6,447,000	2,014,000	2,966,000	$ 3,891,000
New Jersey Environmental Infrastructure Loans Payable	289,674	414,526	533,244	654,069	768,597
Improvement Authorizations:					
Funded	129,785	342,281	850,911	639,047	965,556
Unfunded	26,031	736,025	5,286,727	1,074,555	224,215
Reserve for Payment of General Serial Bonds					
Reserve for Federal, State and Other Grants Receivable			3,000	175,000	
Contracts Payable	582,543	5,522,971	209,407	349,377	432,980
Capital Improvement Fund	50,132	165,132	50,132	139,132	48,266
General Capital Surplus	320	41,096	29,903	29,903	217,505
Total Liabilities, Reserves and Fund Balance	$ 11,757,400	$ 16,350,596	$ 11,973,110	$ 8,262,870	$ 6,548,119

The accompanying notes to financial statements are an integral part of these statements.

TOWNSHIP OF LUMBERTON
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Lumberton (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature on March 14, 1860 from portions of Medford Township, Southampton Township, and Eastampton Township. The Township, located in Burlington County, New Jersey, has a total area of approximately thirteen square miles, and is located approximately twenty-two miles from the City of Philadelphia. The Township borders Eastampton Township, Southampton Township, Medford Township, Mount Laurel Township, Hainesport Township, and Mount Holly Township. According to the 2010 census, the population is 12,559.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

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

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

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

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

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

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

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

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

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current and 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.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The maximum amount allowed by the Circular is $5,000.00; however, the Township has adopted a capitalization threshold of $1,000.00. 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.

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.

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

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 Lumberton School District, and the Rancocas Valley Regional High School 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 Lumberton School District and the Rancocas Valley Regional High School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30 for the Lumberton School District and the Rancocas Valley Regional High School, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

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

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 and interest 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.

Note 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>Long-Term Debt</u> - 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.

<u>Compensated Absences and Postemployment Benefits</u> - 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.

<u>Impact of Recently Issued Accounting Principles</u>

Recently Issued and Adopted Accounting Pronouncements

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

Note 2: <u>CASH AND CASH EQUIVALENTS</u>

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

As of December 31, 2018, the Township's bank balances of $7,993,668.93 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 7,040,842.42
Uninsured and Uncollateralized	952,826.51
Total	$ 7,993,668.93

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:

	Year Ended				
	2018	**2017**	**2016**	**2015**	**2014**
Tax Rate	$ 2.354	$ 2.310	$ 2.260	$ 2.243	$ 2.158
Apportionment of Tax Rate:					
Municipal	$ .405	$ .411	$ .421	$ .416	$ .399
Municipal Open Space	.010	.010	.010	.010	.010
County	.394	.398	.387	.400	.366
Regional School	.463	.430	.419	.398	.393
Local School	1.082	1.061	1.023	1.019	.990

Assessed Valuation

Year	Amount
2018	$ 1,378,869,924.00
2017	1,383,760,671.00
2016	1,390,079,001.00
2015	1,391,372,996.00
2014	1,396,460,946.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2018	$ 32,578,700.37	$ 31,960,040.84	98.10%
2017	32,029,478.70	31,459,414.38	98.22%
2016	31,592,340.88	31,129,586.99	98.54%
2015	31,242,429.36	30,804,248.62	98.60%
2014	30,182,625.47	29,745,947.08	98.55%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2018	$ 563,191.24	$ 452,262.81	$ 1,015,454.05	3.12%
2017	501,249.23	401,934.07	903,183.30	2.82%
2016	454,261.96	252,487.15	706,749.11	2.24%
2015	439,709.91	295,590.39	735,300.30	2.35%
2014	390,405.80	262,457.68	652,863.48	2.16%

Note 3: PROPERTY TAXES (CONT'D)

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

Year	Number
2018	24
2017	22
2016	11
2015	15
2014	13

Note 4: FUND BALANCES APPROPRIATED

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2018	$ 3,567,474.60	$ 1,067,455.00	29.92%
2017	2,924,374.10	307,500.00	10.52%
2016	2,021,181.52	307,500.00	15.21%
2015	1,293,941.45	307,500.00	23.76%
2014	422,023.82	307,500.00	72.86%

Note 5: 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, 2018:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 300,475.80	
Federal and State Grant		$ 300,000.00
Trust - Other		475.80
	$ 300,475.80	$ 300,475.80

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 6: 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, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
https://www.nj.gov/treasury/pensions/financial-reports.shtml

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' 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' 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' 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' 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 New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 6: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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 $1/55^{th}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{th}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

The following represents the membership tiers for PFRS:

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

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

Note 6: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. 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 7.34% in State fiscal year 2018. 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 (P.L. 2001, C. 366) was 10% in State fiscal year 2018. 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, 2018 was 13.49% 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is $174,427.00, and was payable by April 1, 2019. 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was $156,533.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were $97,028.91.

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 P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. 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.

Note 6: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd)* - 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, 2018 was 29.40% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is $448,675.00, and was payable by April 1, 2019. 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was $401,917.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were $157,407.00.

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, 2018 was 3.27% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is $49,958.00, and was payable by April 1, 2019. Based on the 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 was $39,268.00, which was paid on April 1, 2018.

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, 2018, employee contributions totaled $1,449.49, and the Township's contributions were $790.76. There were no forfeitures during the year.

Note 6: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was $3,452,760.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Township's proportion was .0175360458%, which was an increase of .0006390090% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is $267,209.00. 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, 2018, the Township's contribution to PERS was $156,533.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, 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	$ 6,210,125.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	843,543.00
	$ 7,053,668.00

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. 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, 2018 measurement date, the Township's proportion was .0458933385%, which was an increase of .0004799354% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was .0458933385%, which was an increase of .0004799354% from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is $714,909.00. 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, 2018, the Township's contribution to PFRS was $401,917.00, and was paid on April 1, 2018.

Note 6: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System (Cont'd) - At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is $99,916.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, 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	$ 65,845.00	$ 63,180.00	$ 129,025.00	$ 17,804.00	$ 25,699.00	$ 43,503.00
Changes of Assumptions	568,958.00	533,056.00	1,102,014.00	1,104,009.00	1,591,548.00	2,695,557.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	32,387.00	33,975.00	66,362.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	274,131.00	580,560.00	854,691.00	101,971.00	54,107.00	156,078.00
Township Contributions Subsequent to the Measurement Date	87,214.00	224,338.00	311,552.00	-	-	-
	$ 996,148.00	$ 1,401,134.00	$ 2,397,282.00	$ 1,256,171.00	$ 1,705,329.00	$ 2,961,500.00

$87,214.00 and $224,338.00 for PERS and PFRS, respectively, included above in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 6: 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:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
June 30, 2018	-	5.63	5.73	-
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
June 30, 2018	-	5.63	-	5.73
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
June 30, 2018	-	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
June 30, 2018	5.63	5.63	5.73	5.73

Note 6: 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:

Year Ending Dec 31,	PERS	PFRS	Total
2019	$ 99,284.00	$ 286,661.00	$ 385,945.00
2020	19,796.00	(18,073.00)	1,723.00
2021	(221,711.00)	(400,230.00)	(621,941.00)
2022	(194,694.00)	(305,160.00)	(499,854.00)
2023	(49,912.00)	(91,731.00)	(141,643.00)
	$ (347,237.00)	$ (528,533.00)	$ (875,770.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
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%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter.

Note 6: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) 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' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	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%
	100.00%	

Note 6: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% 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 3.87% as of June 30, 2018, 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 50% 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 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	$ 4,341,448.00	$ 3,452,760.00	$ 2,707,208.00

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, 2018, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	$ 8,311,482.00	$ 6,210,125.00	$ 4,476,889.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	1,128,977.63	843,543.00	608,111.43
	$ 9,440,459.63	$ 7,053,668.00	$ 5,085,000.43

Note 6: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

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

Supplementary Pension Information

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

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

	Measurement Date Ended June 30,		
	2018	**2017**	**2016**
Township's Proportion of the Net Pension Liability	0.0175360458%	0.0168970368%	0.0176335568%
Township's Proportionate Share of the Net Pension Liability	$ 3,452,760.00	$ 3,933,360.00	$ 5,222,554.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,231,484.00	$ 1,164,804.00	$ 1,116,484.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.37%	337.68%	467.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%

	Measurement Date Ended June 30,		
	2015	**2014**	**2013**
Township's Proportion of the Net Pension Liability	0.0166541472%	0.0164053088%	0.0152016065%
Township's Proportionate Share of the Net Pension Liability	$ 3,738,522.00	$ 3,071,522.00	$ 2,905,329.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,150,180.00	$ 1,135,900.00	$ 1,052,516.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.04%	270.40%	276.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 6: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,		
	2018	**2017**	**2016**
Township's Contractually Required Contribution	$ 174,427.00	$ 156,533.00	$ 156,654.00
Township's Contribution in Relation to the Contractually Required Contribution	(174,427.00)	(156,533.00)	(156,654.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,293,040.00	$ 1,251,878.00	$ 1,169,135.00
Township's Contributions as a Percentage of Covered Payroll	13.49%	12.50%	13.40%

	Year Ended December 31,		
	2015	**2014**	**2013**
Township's Contractually Required Contribution	$ 143,181.00	$ 135,243.00	$ 114,541.00
Township's Contribution in Relation to the Contractually Required Contribution	(143,181.00)	(135,243.00)	(114,541.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,178,306.00	$ 1,125,564.00	$ 1,139,404.00
Township's Contributions as a Percentage of Covered Payroll	12.15%	12.02%	10.05%

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

	Measurement Date Ended June 30,		
	2018	**2017**	**2016**
Township's Proportion of the Net Pension Liability	0.0458933385%	0.0454134031%	0.0451048314%
Township's Proportionate Share of the Net Pension Liability	$ 6,210,125.00	$ 7,010,951.00	$ 8,616,177.00
State's Proportionate Share of the Net Pension Liability associated with the Township	843,543.00	785,286.00	723,545.00
Total	$ 7,053,668.00	$ 7,796,237.00	$ 9,339,722.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,522,536.00	$ 1,444,692.00	$ 1,441,660.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	485.29%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%

Note 6: 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 Six Years) (Cont'd)

	Measurement Date Ended June 30,		
	2015	**2014**	**2013**
Township's Proportion of the Net Pension Liability	0.0394876874%	0.0409481404%	0.0360322120%
Township's Proportionate Share of the Net Pension Liability	$ 6,577,272.00	$ 5,150,896.00	$ 4,790,157.00
State's Proportionate Share of the Net Pension Liability associated with the Township	576,805.00	554,665.00	446,501.00
Total	$ 7,154,077.00	$ 5,705,561.00	$ 5,236,658.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,250,500.00	$ 1,208,672.00	$ 1,085,740.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	426.16%	441.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	Year Ended December 31,		
	2018	**2017**	**2016**
Township's Contractually Required Contribution	$ 448,675.00	$ 401,917.00	$ 367,758.00
Township's Contribution in Relation to the Contractually Required Contribution	(448,675.00)	(401,917.00)	(367,758.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,526,038.00	$ 1,522,685.00	$ 1,423,550.00
Township's Contributions as a Percentage of Covered Payroll	29.40%	26.40%	25.83%

Note 6: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

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

	Year Ended December 31,		
	2015	**2014**	**2013**
Township's Contractually Required Contribution	$ 320,976.00	$ 314,510.00	$ 262,883.00
Township's Contribution in Relation to the Contractually Required Contribution	(320,976.00)	(314,510.00)	(262,883.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered Payroll (Calendar Year)	$ 1,438,231.00	$ 1,297,605.00	$ 1,262,672.00
Township's Contributions as a Percentage of Covered Payroll	22.32%	24.24%	20.82%

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, 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 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.

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 - The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

Note 6: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information (Cont'd)

Police and Firemen's Retirement System (PFRS) (Cont'd)

Changes in Assumptions (Cont'd) - For 2016, 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, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Township does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Township, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd) - Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Township is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Township does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Township is required disclose:

a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Township,

b) the State's proportionate share of the collective net OPEB liability that is associated with the Township, and

c) the State's proportionate share of the OPEB expense that is associated with the Township.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Township, is $231,683.00 for the year ended December 31, 2018 representing 15.18% of the Township's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Township is $7,653,592.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

OPEB Liability and OPEB Expense (Cont'd)

OPEB Liability (Cont'd) - The State's proportion of the net OPEB liability, on-behalf of the Township, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Township was .123170% which was an increase of .004614% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the State's proportionate share of the OPEB expense associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date, is $231,683.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit
Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools.* The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of $1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	$ 8,979,687.03	$ 7,653,592.00	$ 6,594,342.52

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

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	$ 6,384,322.60	$ 7,653,592.00	$ 9,296,215.10

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (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 the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

Note 7: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Supplementary OPEB Information

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. 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 State's Proportionate Share of the net OPEB Liability Associated with the Township (Last 2 Years) -

	Measurement Date Ended June 30,	
	2018	**2017**
Township's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the Township	100.000000%	100.000000%
	100.000000%	100.000000%
Township's Proportionate Share of the Net OPEB Liability	$ -	$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	7,653,592.00	10,308,934.00
Total	$ 7,653,592.00	$ 10,308,934.00
Township's Covered Payroll (Plan Measurement Period)	$ 1,550,082.00	$ 1,452,595.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	493.754%	709.691%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Schedule of the State's Contributions Associated with the Township (Last 2 Years) -

The amount of actual contributions that the State made on-behalf of the Township is not known.

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - None

Changes in Assumptions - In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 8: COMPENSATED ABSENCES

All Township employees are entitled to paid vacation and sick time upon retirement, provided that the employee has at least twenty years of service with the Township.

All police department employees are entitled to one paid sick leave day per month for the first five years of service. At the beginning of the sixth year of service the employees are entitled to one and a half paid sick leave days per month. Full-time union employees, other than the police department employees, are entitled to ten paid sick leave days each year. Full-time non-union employees are entitled to six paid sick leave days each year. All Township employees may accumulate their sick leave days and carry them forward to the subsequent year. The current policy provides that one compensated sick day for every two days accumulated may be paid out at retirement. There is a maximum payout of $15,000.00 for all Township employees. For police department employees, the employee's average daily salary for the three years preceding retirement shall be used to calculate the rate of pay upon termination. For all other employees, the employee's average daily salary for the five years preceding retirement shall be used to calculate the rate of pay upon termination.

All Township employees are entitled to paid vacation days each year, the number of which is dependent on their number of years of service with the Township. Unused vacation days may be accumulated and carried forward for up to three years. Vacation time unused is reimbursed to the employees upon retirement.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2018, the balance of the fund was $3,000.00. It is estimated that, at December 31, 2018, accrued benefits for compensated absences, including the Township's share of Federal Insurance Contributions Act (FICA) tax, are valued at $685,560.02.

Note 9: 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 10: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to $1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A. 13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted on November 2, 1995 by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. On February 24, 2000, the NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP on November 2, 1995.

Note 11: CAPITAL DEBT

General Obligation Bonds

Burlington County Bridge Commission, Series 2009 - On August 15, 2009, the Township issued $1,129,000.00 of general obligation bonds through the Burlington County Bridge Commission, with interest rates ranging from 2.5% to 5.0%. The purpose of the bonds was to fund ordinance 2008-14. The final payment on these bonds was made on August 15, 2018.

General Obligation Bonds, Series 2013 - On November 18, 2013, the Township issued $2,138,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds was to fund ordinances 2009-06-010, 2010-06-007, 2012-12-015, 2013-03-003, and 2013-08-007. The bonds mature in the years 2014 through 2025.

General Obligation Bonds, Series 2017 - On March 7, 2017, the Township issued $4,750,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds was to fund ordinance 2016-14, constructing and equipping the new public safety building. The bonds mature in the years 2018 through 2042.

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

Year	Principal	Interest	Total
2019	$ 310,000.00	$ 190,958.76	$ 500,958.76
2020	315,000.00	182,883.76	497,883.76
2021	320,000.00	174,083.76	494,083.76
2022	325,000.00	165,183.76	490,183.76
2023	325,000.00	155,683.76	480,683.76
2024-2028	1,218,000.00	621,273.80	1,839,273.80
2029-2033	1,030,000.00	445,390.67	1,475,390.67
2034-2038	1,155,000.00	272,325.01	1,427,325.01
2039-2042	995,000.00	69,912.50	1,064,912.50
	$ 5,993,000.00	$ 2,277,695.78	$ 8,270,695.78

New Jersey Environmental Infrastructure Loans

On November 1, 2001, the Township entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide $958,432.00, at no interest, from the fund loan, and $1,010,000.00 at interest rates ranging from 4.00% to 5.50% from the trust loan. The proceeds were used to fund the reconstruction of Hollybrook Road. Semiannual debt payments are due February 1st and August 1st through 2021.

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

Year	Principal	Interest	Total
2019	$ 130,824.87	$ 11,112.50	$ 141,937.37
2020	78,848.75	7,362.50	86,211.25
2021	80,000.00	3,800.00	83,800.00
	$ 289,673.62	$ 22,275.00	$ 311,948.62

Note 11: CAPITAL DEBT (CONT'D)

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

	2018	2017	2016
Issued			
General:			
Bond Anticipation Notes	$ 4,685,916.00	$ 2,681,566.00	$ 2,995,786.00
General Obligation Bonds	5,993,000.00	6,447,000.00	2,014,000.00
Infrastructure Trust Loans	289,673.62	414,526.08	533,244.05
Total Issued	10,968,589.62	9,543,092.08	5,543,030.05
Authorized but not Issued			
General:			
Bonds, Loans and Notes		1,900,000.00	4,753,000.00
Total Authorized but not Issued	-	1,900,000.00	4,753,000.00
Total Issued and Authorized but not Issued	10,968,589.62	11,443,092.08	10,296,030.05
Deductions			
General:			
Excess Proceeds from Issuance of Notes		170,649.86	
Total Deductions	-	170,649.86	-
Net Debt	$ 10,968,589.62	$ 11,272,442.22	$ 10,296,030.05

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 .803%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 10,771,288.00	$ 10,771,288.00	
Regional School Purposes	3,581,250.59	3,581,250.59	
General	10,968,589.62		$ 10,968,589.62
	$ 25,321,128.21	$ 14,352,538.59	$ 10,968,589.62

Net debt $10,968,589.62 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $1,365,264,564.67, equals .803%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 47,784,259.76
Less: Net Debt	10,968,589.62
Remaining Borrowing Power	$ 36,815,670.14

Note 12: SCHOOL TAXES

Rancocas Valley Regional High School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable (prepaid) set forth in the current fund liabilities as follows:

	Balance December 31, 2018	Balance December 31, 2017
Prepaid Taxes	$ (4.08)	$ (4.08)
Deferred	3,193,263.00	2,977,756.50
Balance of Tax	$ 3,193,258.92	$ 2,977,752.42

Lumberton Township School District 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, 2018	Balance December 31, 2017
Taxes Payable	$ 165,166.50	$ 140,906.00
Deferred	7,456,660.50	7,343,812.00
Balance of Tax	$ 7,621,827.00	$ 7,484,718.00

Note 13: CHANGE ORDERS

During the year 2018, the Township amended a contract by approving the following change order that resulted in the total amount of the change order executed for a project to exceed the originally awarded contract price by more than twenty percent (20%):

Ordinance Number	Project Description
2017-010; 2018-017	Main Street and Nassau Street Storm Sewer Replacement Project

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent (20%) unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent (20%) limitation. The Township has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 14: 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.

Note 14: RISK MANAGEMENT (CONT'D)

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

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

Year	Contributions	Claims Paid	Ending Balance
2018	$ 5,541.05	$ 4,340.00	$ 41,852.02
2017	5,133.53	20,105.00	40,650.97
2016	4,313.87	20,314.00	55,622.44

There are no unreimbursed unemployment claims at December 31, 2018.

Joint Insurance Pool - The Township 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

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.

Note 14: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

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

Note 15: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

Open Space Acquisition - On November 4, 2003 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 Lumberton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2004, 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 referendum, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation for a period of two years (2004 and 2005). After the two year period, the open space tax rate reverted to a rate of one cent 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. 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 Lumberton Open Space, Recreation and Farmland Preservation Trust Funds.

Open Space Installment Purchase Note Receivable - An agreement was entered between the County of Burlington (the "County") and the Township to purchase and preserve Raab Parcel. The County agreed to pay the Township a principal amount of $206,250.00, payable in installments from 2005 to 2018. The County made its final payment to the Township in 2018.

Note 16: 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 17: 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.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

May ____, 2020

Mayor and Township Committee
Township of Lumberton, in the
County of Burlington, New Jersey

Re: Township of Lumberton,
in the County of Burlington, New Jersey
$5,236,920 Bond Anticipation Notes, Series 2020A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Lumberton, in the County of Burlington, New Jersey (the "Township") of its $5,236,920 principal amount of Bond Anticipation Notes, Series 2020A (the "Notes"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated May 4, 2020, mature on May 3, 2021, bear interest at a rate of ____% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinance Nos. 2015-03-004, 2015-04-07, 2016-07, 2017-10, 2018-03 and 2020-04 (the "Ordinances"). The Notes are issued for the purpose of providing funds to finance, on a temporary basis, certain capital improvements as described in the Ordinances (the "Project").

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law and the Internal Revenue Code of 1986, as amended (the "Code"), such documents, including the Ordinance, and such other statutes, resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

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

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. 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 Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"). We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

4. The Notes will be treated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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

Other than as set forth in Paragraphs 3 and 4 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,