

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 30, 2020

RATINGS: Bonds: S&P: "AA+"
Notes: S&P: "SP-1+"

NEW ISSUE
BOOK-ENTRY ONLY

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 Bonds and Notes (as hereinafter defined), interest on the Bonds and Tax-Exempt 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 imposed on individuals and corporations. Interest on the Taxable Notes is not excludable from gross income of the owners thereof for federal income tax purposes under current law. For certain corporate holders, interest on the Bonds and Tax-Exempt Notes may indirectly be subject to federal alternate minimum tax for tax years beginning after January 1, 2018. In the opinion of Bond Counsel, interest on the Bonds and 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.

\$7,600,000*
TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2020
Consisting of:
\$6,000,000* General Improvement Bonds; and
\$1,600,000* Sewer Utility Bonds
(Callable) (Bank Qualified)
Dated: Date of Delivery
Due: July 15, as shown on the inside front cover

\$2,375,000
TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2020A (TAX EXEMPT)
Consisting of:
\$2,230,000 General Improvement Notes; and
\$145,000 Sewer Utility Notes
(Non-Callable) (Bank Qualified)
AND
\$855,000
BOND ANTICIPATION NOTES, SERIES 2020B (FEDERALLY TAXABLE)
(Non-Callable)
Dated: Date of Delivery
Due: July 20, 2021

The \$7,600,000* aggregate principal amount of General Obligation Bonds, Series 2020, consisting of \$6,000,000* General Improvement Bonds (the "General Improvement Bonds") and \$1,600,000* Sewer Utility Bonds (the "Sewer Utility Bonds" and together with the General Improvement Bonds, the "Bonds") are general obligations of the Township of Robbinsville, in the County of Mercer, State of New Jersey (the "Township") for which the full faith and credit of the Township are pledged. The Township is authorized and required by law to levy ad valorem taxes on all taxable property within the Township without limitation as to rate or amount for the payment of the principal thereof and the interest thereon.

The \$2,375,000 Bond Anticipation Notes, Series 2020A of the Township, consisting of \$2,230,000 General Improvement Notes (the "General Improvement Notes") and \$145,000 Sewer Utility Notes (the "Sewer Utility Notes" and together with the General Improvement Notes, the "Tax-Exempt Notes") and the \$855,000 Bond Anticipation Notes, Series 2020B (Federally Taxable) (the "Taxable Notes", and together with the Tax-Exempt Notes, the "Notes"), dated the date of delivery, are general obligations of the Township and the full faith and credit and unlimited ad valorem taxing power of the Township are pledged to the payment of the principal thereof and the interest thereon.

The Bonds and Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$5,000 or more.

The Bonds shall bear interest from the date of delivery thereof, as shown below, payable semi-annually on January 15 and July 15 of each year, commencing January 15, 2021, at such rates of interest, as shown on the inside front cover page hereof until maturity or earlier redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent, if any. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rates per annum and reoffering yields, as shown on the inside front cover page, commencing from their date of delivery, as shown below. Interest on the Notes will be payable at maturity, as shown above. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity. While DTC is acting as securities depository for the Bonds and the Notes, the principal of and interest on the Bonds and the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Bonds or the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the Township Council and by a resolution duly adopted by the Township Council as set forth herein. The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, and various bond ordinances duly adopted by the Township Council as set forth herein.

The Bonds, along with other available funds of the Township, are being issued to: (i) refund, on a current basis, a \$7,600,000 aggregate portion of the tax-exempt bond anticipation notes of the Township originally issued in the aggregate principal amount of \$7,910,000, dated July 23, 2019 and maturing July 22, 2020 (the "Tax-Exempt Prior Notes"); and (ii) pay the costs associated with the issuance of the Bonds.

The Tax-Exempt Notes are being issued to: (i) provide new money to finance various capital improvements in and by the Township; and (ii) pay the costs associated with the issuance of the Tax-Exempt Notes. The Taxable Notes are being issued to: (i) refund, on a current basis, the taxable bond anticipation notes of the Township originally issued in the aggregate principal amount of \$855,000, dated July 23, 2019 and maturing July 22, 2020 (the "Prior Taxable Notes"); and (ii) pay the costs associated with the issuance of the Taxable Notes.

The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to redemption prior to their stated maturity.

The Bonds and Notes are not debt or obligations, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

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

The Bonds and Notes are offered when, as and if issued and delivered to the Underwriters, subject to withdrawal or modification of the offer without notice, to the prior approval of legality by the law firm of Malamut & Associates, LLC, Cherry Hill, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its counsel. Phoenix Advisors, LLC, Bordentown, New Jersey, served as Municipal Advisor to the Township in connection with the Bonds and Notes. It is expected that delivery of the Bonds and Notes in book-entry only form will be made at DTC, on or about July 21, 2020.

Bids for the Bonds, in accordance with the Notice of Sale for the Bonds, will be received on July 8, 2020.

Bids for the Tax-Exempt Notes, in accordance with the Notice of Sale for the Tax-Exempt Notes, will be received on July 8, 2020.

Bids for the Taxable Notes, in accordance with the Notice of Sale for the Taxable Notes, will be received on July 8, 2020.

* Preliminary, subject to change.

This is a Preliminary Official Statement and the information contained herein is subject to completion, amendment or other change without notice. The securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

**TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY**

\$7,600,000* GENERAL OBLIGATION BONDS, SERIES 2020

Consisting of:

**\$6,000,000* General Improvement Bonds; and
\$1,600,000* Sewer Utility Bonds**

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS**

<u>Year</u>	<u>General Improvement Amount*</u>	<u>Sewer Utility Amount*</u>	<u>Total Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
				%	%	
2021	\$175,000	\$90,000	\$265,000			770286__
2022	175,000	90,000	265,000			770286__
2023	175,000	105,000	280,000			770286__
2024	175,000	105,000	280,000			770286__
2025	175,000	105,000	280,000			770286__
2026	170,000	105,000	275,000			770286__
2027	175,000	110,000	285,000			770286__
2028	180,000	110,000	290,000			770286__
2029	185,000	105,000	290,000			770286__
2030	190,000	105,000	295,000			770286__
2031	195,000	110,000	305,000			770286__
2032	225,000	120,000	345,000			770286__
2033	230,000	120,000	350,000			770286__
2034	235,000	125,000	360,000			770286__
2035	265,000	95,000	360,000			770286__
2036	275,000		275,000			770286__
2037	280,000		280,000			770286__
2038	290,000		290,000			770286__
2039	295,000		295,000			770286__
2040	300,000		300,000			770286__
2041	310,000		310,000			770286__
2042	320,000		320,000			770286__
2043	325,000		325,000			770286__
2044	335,000		335,000			770286__
2045	345,000		345,000			770286__

\$2,375,000 BOND ANTICIPATION NOTES, SERIES 2020A (TAX EXEMPT)

Interest Rate: __% Yield: __% CUSIP**: 770286__

\$855,000 BOND ANTICIPATION NOTES, SERIES 2020B (FEDERALLY TAXABLE)

Interest Rate: __% Yield: __% CUSIP**: 770286__

*Preliminary, subject to change.

** Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders and Noteholders only at the time of issuance of the Bonds and Notes and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Notes.

**TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY
2298 Route 33
Robbinsville, NJ 08691
(609) 259-3600**

MAYOR
David L. Fried

TOWNSHIP COUNCIL
Ronald C. Witt, Jr., President
Michael Cipriano, Vice President
Vince J. Calcagno
Christine Ciaccio
Dan Schuberth

TOWNSHIP ADMINISTRATOR
Joy Tozzi

CHIEF FINANCIAL OFFICER
Deborah J. Bauer

TAX COLLECTOR
Kelly Fort

TOWNSHIP CLERK
Michele Seigfried

AUDITOR
Holt McNally & Associates, Inc.
Medford, New Jersey

BOND COUNSEL
Malamut & Associates, LLC
Cherry Hill, New Jersey

MUNICIPAL ADVISOR
Phoenix Advisors, LLC
Bordentown, 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 Bonds and 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 Underwriters. The Underwriters have reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds and 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 UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND 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 YIELDS STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS 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 BONDS AND NOTES, AND MAY NOT BE REPRODUCED OR BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

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**OFFICIAL STATEMENT
RELATING TO**

\$7,600,000*
TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2020

Consisting of:
\$6,000,000* General Improvement Bonds; and
\$1,600,000* Sewer Utility Bonds

\$2,375,000
TOWNSHIP OF ROBBINSVILLE
IN THE COUNTY OF MERCER, NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2020A (TAX EXEMPT)

Consisting of:
\$2,230,000 General Improvement Notes; and
\$145,000 Sewer Utility Notes
AND
\$855,000
BOND ANTICIPATION NOTES, SERIES 2020B (FEDERALLY TAXABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Robbinsville (the “Township”), in the County of Mercer, in the State of New Jersey (the “State”) in connection with the sale and issuance of \$7,600,000* aggregate principal amount of General Obligation Bonds, Series 2020 consisting of \$6,000,000* General Improvement Bonds (the “General Improvement Bonds”) and \$1,600,000* Sewer Utility Bonds (the “Sewer Utility Bonds” and together with the General Improvement Bonds, the “Bonds”) and \$2,375,000 Bond Anticipation Notes, Series 2020A of the Township, consisting of \$2,230,000 General Improvement Notes (the “General Improvement Notes”) and \$145,000 Sewer Utility Notes (the “Sewer Utility Notes” and together with the General Improvement Notes, the “Tax-Exempt Notes”); and the \$855,000 Bond Anticipation Notes, Series 2020B (Federally Taxable) (the “Taxable Notes”, and together with the Tax-Exempt Notes, the “Notes”), of the Township.

THE BONDS

General Description

The Bonds will be dated the date of delivery and will mature in the years and in the principal amounts as shown on the inside cover page hereof. The interest on the Bonds will be payable semi-annually beginning January 15, 2021 and on each July 15 and January 15 thereafter. The record dates for the Bonds is each preceding January 1 and July 1, respectively (the “Record Dates”). The Bonds will be issued in book-entry form only.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The Township is obligated to levy ad valorem taxes upon all of the taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

Redemption Provisions

The Bonds maturing prior to July 15, 2028, are not subject to redemption prior to their stated maturities. The Bonds maturing on or after July 15, 2028 are redeemable at the option of the Township, in

* Preliminary, subject to change.

whole or in part, on any date on or after July 15, 2027 at a redemption price equal to 100% of the principal amount thereof (the “Redemption Price”), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed Bond Registrar. So long as the Depository Trust Company (“DTC”) (or any successor thereto) acts as securities depository for the Bonds (“Securities Depository”), such Notice of Redemption shall be sent directly to such depository and not to the Beneficial Owners (as defined herein) of the Bonds. Any failure of the depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on and after such redemption date.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and are authorized by various bond ordinances duly adopted by the Township Council on the dates set forth in the charts on the following page and published and approved as required by law, and by a Resolution, duly adopted by the Township Council on June 25, 2020.

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

The proceeds of the Bonds will be used, along with other available funds of the Township in the amount of \$310,000, to: (i) refund, on a current basis, the \$7,910,000 tax-exempt bond anticipation notes of the Township, dated July 23, 2019 and maturing July 22, 2020 (the “Prior Tax-Exempt Notes”); and (ii) pay the costs associated with the issuance of the Bonds.

The purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described in the following table:

General Improvement Bonds

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Tax-Exempt Notes Being Refunded with the Bonds</u>
2017-26	The acquisition and remediation, if necessary, of certain real property in the Township for affordable housing including all work and materials necessary to complete acquisition of the property.	<u>\$6,000,000</u>
Total General Improvement:		<u>\$6,000,000</u>

Sewer Utility Bonds

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount of Prior Tax-Exempt Notes Being Refunded with the Bonds</u>
2010-19	Construction of sewer lines along Route 130.	<u>\$1,600,000</u>
Total Sewer Utility:		<u>\$1,600,000</u>
Total:		<u>\$7,600,000</u>

Payment of Bonds

The Bonds 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 and interest on Bonds without limitation as to rate or amount. See "SECURITY AND SOURCE OF PAYMENT."

Denominations and Place of Payment

The Bonds are issuable only as fully registered bonds without coupons, and when issued will be in the form of one certificate per maturity and will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as Securities Depository for the Bonds. Purchase of the Bonds will be made in book entry form, in the denomination of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

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 amounts, all 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 inside 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 DTC and its participants. See “Book-Entry-Only System”. The Township will act as the “Note Registrar/Paying Agent” for the Notes.

Redemption

The Notes are not subject to redemption prior to maturity.

AUTHORIZATION AND PURPOSE OF THE NOTES

Tax-Exempt Notes

The Tax-Exempt Notes are being issued to: (i) provide new money in the amount of \$2,375,000 to finance various capital improvements in and by the Township; and (ii) pay the costs associated with the issuance of the Tax-Exempt Notes. The Tax-Exempt Notes and the improvements or purposes for which the Tax-Exempt Notes are to be issued have been authorized by bond ordinances duly adopted by the Township, which ordinances are described in the following table by ordinance number, description and amount of Tax-Exempt Notes being issued:

General Improvement Notes

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount</u>
2018-31	Acquisition of a New Rear Loading Trash Collection Truck.	\$247,000
2019-21	Various Capital Improvements.	1,983,000
Total General Improvement Notes:		<u>\$2,230,000</u>

Sewer Utility Notes

<u>Ordinance No.</u>	<u>Purpose</u>	<u>Amount</u>
2008-21	Construction of Route 33 Sewer Lines.	\$145,000
Total Sewer Utility Notes:		<u>\$145,000</u>
Total Tax-Exempt Notes:		<u>\$2,375,000</u>

Taxable Notes

The Taxable Notes are being issued to: (i) refund, on a current basis, the taxable bond anticipation notes of the Township originally issued in the aggregate principal amount of \$855,000, dated July 23, 2019 and maturing July 22, 2020 (the “Prior Taxable Notes”); and (ii) pay the costs associated with the issuance of the Taxable Notes. The Taxable Notes and the improvements or purposes for which the Taxable Notes are to be issued have been authorized by a bond ordinance duly adopted by the Township, which bond ordinance is described in the following table by ordinance number, description and amount of Prior Taxable Notes being refunded with the Taxable Notes:

Taxable Notes

<u>Ordinance No.</u>	<u>Purpose</u>	Amount of Prior Taxable Notes Being Refunded with the <u>Taxable Notes</u>
2019-20	Providing for the funding and construction of Township obligations under an affordable housing developer agreement between the Township and Project Freedom.	<u>\$855,000</u>
Total Taxable Notes:		<u>\$855,000</u>

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.

BOOK-ENTRY-ONLY SYSTEM*

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and 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 Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the maturity of the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

* Source: The Depository Trust Company

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

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 Bonds and 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 Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds and 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 Bonds and Notes at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, Bond and 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, Bond and 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 Underwriters 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 BONDS AND NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE BONDS AND NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS AND 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 Bonds and 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.

SECURITY FOR THE BONDS AND NOTES#

The Bonds and 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 Bonds and 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 Bonds and Notes, without limitation as to rate or amount.

The Township

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

DISCLOSURE REGARDING COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a Pandemic by the World Health Organization on March 11, 2020. A public health emergency was declared by Governor Murphy on March 9, 2020 and a national emergency was declared by President Trump on March 13, 2020. The outbreak of this disease has severely affected travel, commerce and financial markets globally, and has altered the behavior of people and businesses in a manner that will likely have significant negative impacts on the global, national and local economies.

In New Jersey, residents and businesses have been advised to take pro-active measures, including use of “social distancing” to reduce interpersonal contacts. All large-scale public events were canceled, schools were closed for the remainder of the 2020 school year, and businesses encouraged employees to work remotely whenever possible. Persons exposed to, or having close contact with persons exposed to, the COVID-19 virus have been encouraged, or required, to self-isolate for extended periods of time.

The acute phase of the COVID-19 pandemic in New Jersey began in March and is expected to last several months. A phased-in reopening of certain economic activity has begun through executive orders of Governor Murphy. The federal government enacted legislation to mitigate selected financial impacts on people and businesses. The Legislature of the State of New Jersey has introduced legislation, which if enacted, would allow the State government and local governments to finance expected revenues lost to the COVID-19 economic slow-down. These proposals remain in the Legislature. While the full economic impact cannot be predicted at this time, the COVID-19 pandemic could have a material adverse impact on the Township and its finances. The degree of any impact to the Township’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Township and its economy.

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 Bonds and 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 refunding 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 Annual Compiled 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 Bonds and 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:4-45-46) 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 Bonds and 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 Bonds and 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 BONDS.

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

TAX MATTERS

EXCLUSION OF INTEREST ON THE BONDS AND TAX-EXEMPT 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 Bonds and Tax-Exempt Notes in order to assure that interest on the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds and Tax-Exempt Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds and Tax-Exempt Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and Tax-Exempt Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt 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 Bonds and Tax-Exempt 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 Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes ends with the issuance of the Bonds and Tax-Exempt Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes.

Payments of interest on tax-exempt obligations, including the Bonds and Tax-Exempt Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond or 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 Bonds and Tax-Exempt Notes may be sold at an initial offering price in excess of the amount payable at the respective maturity dates. The excess, if any, of the tax basis of the Bonds and Tax-Exempt Notes to a purchaser (other than a purchaser who holds such Bonds and Tax-Exempt 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 bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes. Accordingly, an owner of the Bonds and Tax-Exempt Notes may have taxable gain from the disposition of the Bonds and Tax-Exempt Notes, even though the Bonds and Tax-Exempt Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Bonds or Tax-Exempt Notes. Bond premium amortizes over the term of the Bonds and Tax-Exempt Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Bonds and Tax-Exempt Notes should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Bonds and Tax-Exempt Notes.

Bank-Qualification

The Bonds and the Tax-Exempt 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 Bonds and Tax-Exempt Notes

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

CHANGES IN FEDERAL TAX LAW REGARDING THE BONDS AND TAX-EXEMPT 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 Bonds and Tax-Exempt Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds and Tax-Exempt Notes will not have an adverse effect on the tax status of interest on the Bonds and Tax-Exempt Notes or the market value or marketability of the Bonds and Tax-Exempt 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 Bonds and Tax-Exempt Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

TAXABLE NOTES

General

In the opinion of Bond Counsel, interest on the Taxable Notes is includable in gross income for federal income tax purposes.

The following is a summary of certain United States federal income tax consequences of the ownership of the Taxable Notes as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury Regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Notes generally and does not purport to furnish information in the level of detail or

with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, this summary is addressed only to original purchasers of the Taxable Notes that are "U.S. holders" (as defined below), deals only with the Taxable Notes held as a capital asset within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in the Taxable Notes.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of the Taxable Notes. A "non-U.S. investor" is a holder (or beneficial owner) of the Taxable Notes that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration, and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

Sale or Redemption of the Taxable Notes

A note owner's tax basis for the Taxable Notes is the price such owner pays for the Taxable Notes plus amounts of any original issue discount included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized premium. Gain or loss recognized on a sale, exchange or redemption of the Taxable Notes, measured by the difference between the amount realized and the Taxable Notes' basis as so adjusted, will generally give rise to capital gain or loss if the Taxable Notes are held as a capital asset.

Possible Recognition of Taxable Gain or Loss Upon Defeasance of Taxable Notes

Defeasance of any Taxable Notes may result in a deemed exchange under Section 1001 of the Code, in which event the holder of such Taxable Notes will recognize taxable gain or loss in an amount equal to the difference between the amount realized from the deemed exchange (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted basis in such Taxable Notes.

Backup Withholding

A noteowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding tax is 28%, but may change in the future) with respect to interest or original issue discount on the Taxable Notes. This withholding generally applies if the owner of the Taxable Notes (a) fails to furnish the Township or its paying agent with its taxpayer identification number; (b) furnishes the Township or its paying agent an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Township or its paying agent with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to note owners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Taxable Notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of “reportable payments” for each calendar year and the amount of tax withheld, if any, with respect to payments on the Taxable Notes will be reported to the note owners and to the Internal Revenue Service (the “IRS”).

Foreign Note Owners

Under the Code, interest and original issue discount income with respect to the Taxable Notes held by nonresident alien individuals, foreign corporations or other non-United States persons (“Nonresidents”) generally will not be subject to the United States withholding tax (or backup withholding) if the Township or the Paying Agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Taxable Notes is a Nonresident. The withholding tax may be reduced or eliminated by an applicable tax treaty, if any. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident note owner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an “ERISA Plan”) and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. All fiduciaries of ERISA Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Taxable Notes.

In all events, all investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of Taxable Notes.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and 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 BONDS AND NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS AND 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 Bonds and Notes, and such Bonds and 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, Paul Renaud, III, Esq. (the "Township Counsel"), dated the date of delivery of the Bonds and 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 Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and 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 Bonds and 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 Bonds and Notes.

SECONDARY MARKET DISCLOSURE

The Township has agreed to undertake for the benefit of the Bondholders and the Noteholders and the beneficial owners of the Bonds and the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12. Specifically, the Township will do the following for the benefit of the holders of the Bonds and the Notes and the beneficial owners thereof:

(a) as detailed in a Continuing Disclosure Certificate to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix "F" attached hereto (the "Continuing Disclosure Certificate"), provide to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access data port ("EMMA"), certain financial information and operating data with respect to the Township to comply with the provisions of the Rule promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented;

(b) provide or cause to be provided to the MSRB notice of the occurrence of any of the following events within 10 business days of such occurrence with respect to the Bonds and Notes:

- (i) Principal or interest payment delinquencies on the Bonds and 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 Bonds and Notes.
- (vii) Modifications to the rights of Bondholders and Noteholders, if material.
- (viii) Bond and Note calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds and 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 Bonds and 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

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

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

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

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

The Township has previously entered into continuing disclosure undertakings under the Rule. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey in October of 2013 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations

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 Bonds and Notes.

APPROVAL OF LEGAL PROCEEDINGS

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

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

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "AA+" to the Bonds and a rating of "SP-1+" to the Notes.

The ratings reflect only the views of the Rating Agency. Any desired explanation of the significance of such ratings should be obtained directly from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds, Notes and the Township. There can be no assurance that the ratings will be maintained for any given period of time or that they 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 ratings may have an adverse effect on the marketability or market price of the Bonds or Notes.

UNDERWRITING

Bonds

The Bonds have been purchased from the Township at a public sale by _____ (the "Bonds Underwriter") at a price of \$_____. The purchase price reflects the part amount of the Bonds plus a bid premium of \$_____.

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

Tax-Exempt Notes

The Tax-Exempt Notes have been purchased from the Township at a public sale by _____ (the "Tax-Exempt Notes Underwriter") at a price of \$_____. The purchase price reflects the part amount of the Tax-Exempt Notes plus a bid premium of \$_____.

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

Taxable Notes

The Taxable Notes have been purchased from the Township at a public sale by _____ (the "Taxable Notes Underwriter" and together with the Bonds Underwriter and Tax-Exempt Notes

Underwriter, the “Underwriters”) at a price of \$_____. The purchase price reflects the part amount of the Taxable Notes plus a bid premium of \$_____.

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

MUNICIPAL ADVISOR#

Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the Township with respect to the issuance of the Bonds and 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.

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 Bonds and 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.

The Municipal Advisor has 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.

Holt McNally & Associates, Inc., Medford, New Jersey (the “Auditor”), has not participated in the compilation of this Official Statement and takes no responsibility for the information contained herein. Information has been obtained from Township management and other various sources they consider to be reliable and make no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

FINANCIAL STATEMENTS

Appendix B contains certain unaudited financial data of the Township extracted from the Annual Financial Statement for the fiscal year ending December 31, 2019 (with Independent Accountant’s Compilation Report thereon) and certain audited financial data of the Township for the fiscal year ending December 31, 2018. The audited financial data was extracted from the report prepared by Holman Frenia Allison, P.C. (the “2018 Auditor”) to the extent and for the period set forth in their report appearing in Appendix B to this Official Statement. The 2018 Auditor 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 for the financial statements appearing in Appendix B hereto) and, accordingly,

will express no opinion with respect thereto. See “APPENDIX B - FINANCIAL DATA OF THE TOWNSHIP”.

CERTIFICATES OF THE TOWNSHIP

Upon the delivery of the Bonds and 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 Bonds and Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefore, and a certificate dated as of the date of the delivery of the Bonds and Notes and signed by the officers who signed the Notes, 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 Bonds and Notes or the levy or collection of taxes to pay the Bonds and Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds and 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 Deborah J. Bauer, Chief Financial Officer, Township of Robbinsville, 2298 Route 33, Robbinsville, NJ 08691, (609) 259-3600 or Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey, (609) 291-0130.

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 Bonds and 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 Bonds and 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 ROBBINSVILLE,
IN THE COUNTY OF MERCER, NEW JERSEY**

By: _____
Deborah J. Bauer,
Chief Financial Officer

Dated: July __, 2020

APPENDIX A
CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION
REGARDING THE TOWNSHIP

INFORMATION REGARDING THE TOWNSHIP¹

The following material presents certain economic and demographic information of the Township of Robbinsville (the “Township”), in the County of Mercer (the “County”), State of New Jersey (the “State”).

General

The Township, formerly the Township of Washington, is comprised of 20.7 square miles and is located in the eastern section of the County in the State. The Township is bordered by the Townships of Hamilton, East Windsor and West Windsor in the County and the Township of Upper Freehold and the Borough of Allentown in Monmouth County.

Form of Government

In November 2004, voters approved a change from a partisan, township-committee form of government to a non-partisan, strong-mayor and council form of government. Voters directly elected a mayor for the first time in May 2005. The mayor serves a four-year term. The five-member council serves four-year staggered terms. Day-to-day operations are handled by the business administrator and various appointed department heads.

Education

The Township Board of Education (the “Local School District”) serves students in grades Kindergarten through 12th grade. Robbinsville High School opened in September 2005 and graduated its first class in June 2008. Ninety-five percent of the first graduating class entered college, with two-thirds entering a four-year institution. The high school offers a full Advanced Placement curriculum. The Local School District also operates one (1) Middle School and one (1) Elementary School. Nearby higher educational opportunities are available at Rutgers, the State University of New Jersey; Rider University; Princeton University; The College of New Jersey; and Mercer County Community College.

General Services

The Township provides public safety services through a full-time professional police department. In January 2007, the Township absorbed the Fire District and created the Division of Fire which is now managed by full-time personnel and volunteers. The Division of Fire provides fire suppression and EMS services to the Township. In October 2007, the Township assumed control of the former Municipal Utilities Authority, giving the governing body a direct hand in extending sewer service into areas of the Township that were approved for sewer but as yet unserved. The Township has an agreement with Hamilton Township for sewage treatment handled by the Township’s collection system.

¹ Source: The Township, unless otherwise indicated.

Utilities

The Township is served by Verizon and Cablevision for cable and telephone services. Portions of the Township are served by PSE&G and other portions are served by Jersey Central Power & Light for electric and gas. The Township receives its water from Aqua New Jersey and provides sewer services through the Township sewer utility.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2019	8,472	8,283	189	2.2%
2018	8,300	8,084	216	2.6%
2017	8,211	7,956	255	3.1%
2016	8,052	7,797	255	3.2%
2015	7,949	7,651	298	3.7%
<u>County</u>				
2019	202,885	196,458	6,427	3.2%
2018	198,876	191,729	7,147	3.6%
2017	197,039	188,988	8,051	4.1%
2016	198,103	189,516	8,587	4.3%
2015	197,409	187,578	9,831	5.0%
<u>State</u>				
2019	4,493,127	4,333,334	159,793	3.6%
2018	4,432,520	4,250,795	181,725	4.1%
2017	4,454,681	4,248,741	205,940	4.6%
2016	4,473,780	4,251,209	222,571	5.0%
2015	4,487,309	4,227,640	259,669	5.8%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2018)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$147,321	\$79,990	\$79,363
Median Family Income	166,023	102,150	98,047
Per Capita Income	57,632	42,155	40,895

Source: US Bureau of the Census, 2018 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2019 Estimate	14,543	6.60%	367,430	0.25%	8,882,190	1.03%
2010	13,642	32.77	366,513	4.49	8,791,894	4.49
2000	10,275	76.70	350,761	7.65	8,414,350	8.85
1990	5,815	66.76	325,824	5.83	7,730,188	4.96
1980	3,487	5.32	307,863	1.23	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2019 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Matrix 7A Land/PRI&II, LLC	\$159,476,700	6.13%
100 Manor Way	40,400,000	1.55%
Sharbell Inc	36,772,828	1.41%
J&J New Jersey, LLC	29,795,000	1.15%
Mercedes Benz	28,324,475	1.09%
KTR NJ I, LLC	28,297,092	1.09%
McMaster-Carr	23,070,000	0.89%
Windsor Industrial Park	15,000,000	0.58%
Thompson Realty	12,818,616	0.49%
Sleepys C/O Cushman/Wake	11,000,000	0.42%
Total	<u>\$384,954,711</u>	<u>14.80%</u>

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

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Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2019U	\$77,903,837	\$77,234,267	99.14%
2018	76,543,566	75,829,927	99.07%
2017	74,976,215	74,388,586	99.22%
2016	72,555,179	71,992,345	99.22%
2015	70,235,397	69,733,016	99.28%

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2019U	\$286,551	\$534,900	\$821,451	1.05%
2018	276,657	658,378	935,035	1.22%
2017	270,096	515,036	785,132	1.05%
2016	183,014	557,620	740,634	1.02%
2015	164,074	462,600	626,674	0.89%

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2019U	\$0
2018	0
2017	0
2016	0
2015	0

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

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Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Township residents for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Municipal Open Space*</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2020	\$0.518	\$0.065	\$1.655	--	--
2019	0.518	0.065	1.655	0.719	2.957
2018	0.521	0.065	1.643	0.709	2.938
2017	0.524	0.065	1.643	0.700	2.932
2016	0.526	0.050	1.633	0.696	2.905

*On November 8, 2016, residents of the Township voted to increase the municipal open space tax by \$0.015, effective in 2017.
Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2019	\$2,597,577,816	\$2,794,897,586	92.93%	\$3,114,537	\$2,798,012,123
2018	2,553,496,926	2,730,136,775	93.53	3,137,969	2,733,274,744
2017	2,492,178,990	2,573,235,922	96.85	3,101,829	2,576,337,751
2016	2,435,597,382	2,530,753,722	96.24	3,074,984	2,533,828,706
2015	2,417,093,424	2,486,210,064	97.22	3,202,902	2,489,412,966

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2020	\$63,801,542	\$1,948,370,100	\$28,581,398	\$225,725,400	\$351,804,300	\$6,850,000	\$2,625,132,740
2019	72,575,135	1,920,994,600	28,214,481	226,544,300	342,399,300	6,850,000	2,597,577,816
2018	74,191,842	1,894,135,500	28,317,484	228,902,800	321,099,300	6,850,000	2,553,496,926
2017	87,077,442	1,855,393,500	28,281,848	225,062,300	289,513,900	6,850,000	2,492,178,990
2016	81,230,432	1,814,604,700	28,587,950	216,745,400	287,578,900	6,850,000	2,435,597,382

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township’s Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Fund Balance Utilized	\$3,322,035	\$3,514,030	\$3,790,000	\$3,367,200	\$3,193,000
Miscellaneous Revenues	5,862,885	6,585,744	7,139,281	7,559,388	7,982,951
Receipts from Delinquent Taxes	470,000	450,000	450,000	600,000	533,000
Amount to be Raised by Taxation	<u>12,832,235</u>	<u>13,067,680</u>	<u>13,324,058</u>	<u>13,481,367</u>	<u>13,624,020</u>
Total Revenue:	<u>\$22,487,155</u>	<u>\$23,617,453</u>	<u>\$24,703,339</u>	<u>\$25,007,955</u>	<u>\$25,332,971</u>
<u>Appropriations</u>					
General Appropriations	\$15,350,138	\$15,802,178	\$16,544,895	\$16,945,675	\$18,021,339
Operations (Excluded from CAPS)	1,316,957	1,154,682	1,322,764	1,251,869	1,065,925
Deferred Charges and Statutory Expenditures	17,875	632,097	21,548	22,356	21,300
Capital Improvement Fund	165,144	216,533	301,654	50,000	98,000
Municipal Debt Service	4,637,042	4,811,964	5,512,478	5,738,056	5,126,407
Reserve for Uncollected Taxes	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Appropriations:	<u>\$22,487,155</u>	<u>\$23,617,453</u>	<u>\$24,703,339</u>	<u>\$25,007,955</u>	<u>\$25,332,971</u>

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township’s fund balance and the amount utilized in the succeeding year’s budget for the Current Fund for the past five (5) fiscal years ending December 31.

<u>Year</u>	<u>Fund Balance - Current Fund</u>	
	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2019U	\$4,099,260	\$3,193,000
2018	4,421,363	3,367,200
2017	4,762,005	3,790,000
2016	4,353,581	3,514,030
2015	4,400,467	3,322,035

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

<u>Year</u>	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2019U	\$1,224,901	\$550,000
2018	1,129,179	540,422
2017	1,366,060	558,092
2016	1,493,818	285,045
2015	1,531,476	229,646
2014	1,569,517	228,572

U: Unaudited

Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

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Township Indebtedness as of December 31, 2019

General Purpose Debt

Serial Bonds	\$45,209,000
Bond Anticipation Notes	7,055,000
Bonds and Notes Authorized but Not Issued	2,727,391
Other Bonds, Notes and Loans	<u>177,485</u>
Total:	\$55,168,876

Local School District Debt

Serial Bonds	\$45,834,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$45,834,000

Self-Liquidating Debt

Serial Bonds	\$0
Bond Anticipation Notes	1,710,000
Bonds and Notes Authorized but Not Issued	145,000
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$1,855,000

TOTAL GROSS DEBT

\$102,857,876

Less: Statutory Deductions	
General Purpose Debt	\$15,601,300
Local School District Debt	45,834,000
Self-Liquidating Debt	<u>1,855,000</u>
Total:	\$63,290,300

TOTAL NET DEBT

\$39,567,576

Source: Annual Debt Statement of the Township

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Overlapping Debt (as of December 31, 2019)²

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$45,834,000	100.00%	\$45,834,000
County (2018)	821,053,241	6.04%	<u>49,551,219</u>
Net Indirect Debt			\$95,385,219
Net Direct Debt			<u>39,567,576</u>
Total Net Direct and Indirect Debt			<u>\$134,952,795</u>

Debt Limit

Average Equalized Valuation Basis (2017, 2018, 2019)	\$2,699,423,428
Permitted Debt Limitation (3 1/2%)	94,479,820
Less: Net Debt	<u>39,567,576</u>
Remaining Borrowing Power	<u>\$54,912,244</u>
Percentage of Net Debt to Average Equalized Valuation	1.466%
Gross Debt Per Capita based on 2010 population of 13,642	\$7,540
Net Debt Per Capita based on 2010 population of 13,642	\$2,900

Source: Annual Debt Statement of the Township

² Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

APPENDIX B
FINANCIAL DATA OF THE TOWNSHIP

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**UNAUDITED FINANCIAL DATA OF THE TOWNSHIP
FOR THE YEAR ENDED DECEMBER 31, 2019**

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

ASSETS	REFERENCE	<u>2019</u>
Regular Fund:		
Cash	A-4	\$ 6,271,374.56
Cash - Change Funds	A-6	1,150.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-8	<u>8,160.74</u>
Total		<u>6,280,685.30</u>
Receivables & Other Assets With Full Reserves:		
Delinquent Taxes Receivable	A-7	534,899.79
Tax Title Liens Receivable	A-9	286,551.42
Demolition Liens Receivable	A	9,800.00
6% Year-End Penalties	A	16,784.00
Other Receivables	A	216.54
Revenue Accounts Receivable	A-10	26,051.00
Due From Interfunds:		
Animal Control Trust Fund	B	1,172.00
Trust Other Fund	B	<u>34,362.46</u>
Total Receivables & Other Assets With Full Reserves		<u>909,837.21</u>
Deferred Charges To Future Taxation:		
Special Emergency Appropriation - 5 Year	A	<u>62,400.00</u>
Total		<u>62,400.00</u>
Total Regular Funds		<u>7,252,922.51</u>
Federal, State & Other Grants:		
Cash	A-4	1,765,113.97
Federal, State & Other Grants Receivable	A-19	<u>1,780,777.63</u>
Total Federal, State & Other Grants		<u>3,545,891.60</u>
Total Assets		<u><u>\$10,798,814.11</u></u>

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

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2019</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	A-3	\$ 689,894.90
Reserve for Encumbrances	A-3	455,361.57
Accounts Payable	A-18	58,138.93
Due to State of NJ	A-17	6,566.00
Prepaid Taxes	A-16	485,176.45
Due County for Added & Omitted Taxes	A-11	195,169.07
Tax Overpayments	A-15	96,537.31
Special Emergency Note Payable	A	62,400.00
Reserve for Tax Appeals	A	100,000.00
Reserve for Revision & Codification of Ordinances	A	18,370.09
Reserve for Preparation of a Master Plan Amendment	A	1,071.24
Reserve for Street Opening	A	100.00
Reserve for Garden State Trust	A	5,894.00
Reserve for Pilots Due to County	A	<u>115,954.02</u>
Subtotal Regular Fund		<u>2,290,633.58</u>
Reserve for Receivables & Other Assets	A	909,837.21
Fund Balance	A-1	<u>4,052,451.72</u>
Total Regular Fund		<u>7,252,922.51</u>
Federal, State & Other Grants:		
Reserve for Encumbrances	A-20	25,794.51
Reserve for Federal, State & Other Grants:		
Appropriated	A-20	3,506,512.12
Unappropriated	A-21	<u>13,584.97</u>
Total Federal, State & Other Grants		<u>3,545,891.60</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$10,798,814.11</u></u>

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>
Revenue & Other Income Realized:	
Fund Balance Utilized	\$ 3,367,200.00
Miscellaneous Revenue Anticipated	8,854,509.44
Receipts From Delinquent Taxes & Tax Title Liens	667,260.47
Receipts From Current Taxes	77,234,266.73
Nonbudget Revenue	687,148.58
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	869,794.99
Cancellation of Prior Year Grant Appropriation	-
Interfund Returned	61,261.91
	<u>91,741,442.12</u>
Total	
Expenditures:	
Budget Appropriations Within "CAPS":	
Operations:	
Salaries & Wages	8,359,087.67
Other Expenses	6,342,748.55
Deferred Charges & Statutory Expenditures	2,243,838.76
Excluded From "CAPS":	
Operations:	
Salaries & Wages	585,562.47
Other Expenses	1,770,785.93
Capital Improvements	50,000.00
Municipal Debt Service	5,736,159.28
Deferred Charges	22,356.00
Municipal Open Space Tax	1,708,111.82
County Taxes	18,684,475.06
Amount Due County for Added & Omitted Taxes	195,169.07
Local District School Tax	43,042,854.00
Senior Citizen & Veteran Deductions Disallowed Prior Year	2,004.79
	<u>88,743,153.40</u>
Total Expenditures	
Excess/Deficit in Revenue	<u>2,998,288.72</u>
Expenditures included above which are by Statute	
Deferred Charges to Budget of Succeeding Year	-
Statutory Excess to Fund Balance	2,998,288.72
Fund Balance January 1	<u>4,421,363.00</u>
Total	7,419,651.72
Decreased by: Utilization as Anticipated Revenue	<u>(3,367,200.00)</u>
Fund Balance December 31	<u>\$ 4,052,451.72</u>

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

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 3,367,200	\$ -	\$ 3,367,200	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	20,000.00	-	20,438.00	438.00
Other	10,000.00	-	27,893.00	17,893.00
Fees & Permits - Other	131,400.00	-	136,806.60	5,406.60
Fines & Costs - Municipal Court	450,000.00	-	424,944.90	(25,055.10)
Interest & Costs on Taxes	110,000.00	-	159,225.59	49,225.59
Interest on Investments & Deposits	380,000.00	-	500,914.87	120,914.87
Affordable Housing Contrib. MMHP Ban Interest	140,500.00	-	140,500.00	-
Capital Surplus	250,000.00	-	250,000.00	-
CATV Franchise Fees	102,392.22	-	102,392.22	-
Fire Department:				
Inspection Fees - Turnpike Authority	80,000.00	-	107,533.74	27,533.74
Fire Service Revenue	10,000.00	-	12,150.00	2,150.00
Garden State Preservation Trust	5,894.00	-	5,894.00	-
Energy Receipts Tax	1,414,330.00	-	1,414,330.00	-
Uniform Construction Code Fees	700,000.00	-	890,684.00	190,684.00
Interlocal Services Agreements:				
Board of Education for Automotive Services	2,300.00	-	2,178.00	(122.00)
Allentown for Automotive Services	7,500.00	-	4,500.22	(2,999.78)
Mercer County Soil for Automotive Services	3,000.00	-	374.70	(2,625.30)
Upper Freehold for Automotive Services	1,100.00	-	-	(1,100.00)
Hightstown for Automotive Services	11,000.00	-	12,526.00	1,526.00
Board of Education for Crossing Guard	8,490.48	-	6,199.16	(2,291.32)
Board of Education for High School Resource Officer	260,000.00	-	260,000.00	-
Sale of Library Books & Audio Visual Sales	5,330.03	-	5,330.03	-
Anonymous Local Grant - Senior Center	5,000.00	-	5,000.00	-
Anonymous Local Grant - Police	8,500.00	-	8,500.00	-
Anonymous Local Grant - Fire	13,500.00	-	13,500.00	-
Anonymous Local Grant - Library	6,500.00	-	6,500.00	-
Recycling Tonnage Grant	78,679.68	-	78,679.68	-
Dept. of Law & Public Safety - Police Body Armor Fund	3,138.96	-	3,138.96	-
Police Body Armor Fund - Federal	1,252.35	-	1,252.35	-
Drive Sober or Get Pulled Over	4,580.20	-	4,580.20	-
Clean Communities Program	-	35,532.05	35,532.05	-
Mercer At Play (2019)	-	500,000.00	500,000.00	-
FY 18 Assist To Firefighters- OPS & Safety	-	10,947.61	10,947.61	-
FY20 NJ DOT Windsor Road Resurfacing	-	558,000.00	558,000.00	-
FY19 MuniAid- Meadowbrook Rd	207,750.00	-	207,750.00	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Miscellaneous Revenues (continued):				
Payment in Lieu of Taxes - Project Freedom West Gate	1,340.00	-	1,340.00	-
Payment in Lieu of Taxes - Project Freedom	8,000.00	-	8,000.00	-
Payment in Lieu of Taxes - KTR/ Amazon	510,477.64	-	453,932.42	(56,545.22)
Payment in Lieu of Taxes - Matrix 500A	8,595.09	-	8,595.09	-
Payment in Lieu of Taxes - Matrix 500B	8,327.26	-	8,331.68	4.42
Payment in Lieu of Taxes - Matrix 7A, Blk 41, Lot 15.012	150,864.12	-	74,878.59	(75,985.53)
Payment in Lieu of Taxes - Matrix 7A, Blk 41, Lot 15.011	139,343.62	-	76,695.64	(62,647.98)
Payment in Lieu of Taxes - United Way	1,500.00	-	1,500.00	-
Payment in Lieu of Taxes - Serv Properties & Management	1,500.00	-	1,501.18	1.18
Payment in Lieu of Taxes - The Arc Mercer Inc.	1,500.00	-	1,497.35	(2.65)
Payment in Lieu of Taxes- Community Options	4,500.00	-	6,488.85	1,988.85
Payment in Lieu of Taxes- Eden Autism	4,500.00	-	6,750.00	2,250.00
Sale of Municipal Assets	646,000.00	-	646,000.00	-
Washington Woods Acquisition	73,737.50	-	73,737.50	-
Open Space Tax for Debt Service	1,517,065.26	-	1,517,065.26	-
Building Rental - Sewer Utility	50,000.00	-	50,000.00	-
				-
Total Miscellaneous Revenues	<u>7,559,388.41</u>	<u>1,104,479.66</u>	<u>8,854,509.44</u>	<u>190,641.37</u>
Receipt From Delinquent Taxes	600,000.00	-	667,260.47	67,260.47
Local Tax for Municipal Purposes	<u>13,481,366.90</u>	<u>-</u>	<u>14,603,656.78</u>	<u>1,122,289.88</u>
				-
Budget Totals	25,007,955.31	1,104,479.66	27,492,626.69	1,380,191.72
Nonbudget Revenues	-	-	687,148.58	687,148.58
				-
Total Revenues	<u>\$ 25,007,955.31</u>	<u>\$ 1,104,479.66</u>	<u>\$ 28,179,775.27</u>	<u>\$ 2,067,340.30</u>

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 77,234,266.73
Less: School, County & Special District Taxes	<u>63,630,609.95</u>
Balance for Support of Municipal Budget Appropriations	13,603,656.78
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,000,000.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 14,603,656.78</u></u>
Delinquent Property Taxes Receivable	<u>\$ 667,260.47</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 667,260.47</u></u>
Licenses - Other:	
Board of Health - Food Handlers	\$ 9,625.00
Licenses & Permits	17,170.00
Vital Statistics Fee	<u>1,098.00</u>
Total Licenses - Other	<u><u>\$ 27,893.00</u></u>
Fees & Permits - Other:	
Tax Search Fees	\$ 10.00
Police Fees & Permits	2,162.00
Off-Duty Police Administrative Fees	24,967.55
Housing Inspection Fees	35,175.00
Zoning Permits	7,720.00
Home Occupation Permits	50.00
Variance Fees	2,625.00
Conceptual Review Fees	1,200.00
Site Plan Fees	47,758.65
Major Subdivision Fees	6,300.00
Minor Subdivision Fees	3,400.00
Perc & Soil Permits	150.00
Septic & Well Permits	1,995.00
Pool Permits	1,400.00
Street Opening Permits	300.00
Returned Check Fees	120.00
Copies and Miscellaneous Fees	785.15
Certified Tax List Fees	363.25
Publication Fees	<u>325.00</u>
Total Fees & Permits - Other	<u><u>\$ 136,806.60</u></u>

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ANALYSIS OF INTEREST & COST IN TAXES

Interest & Costs	\$ 144,191.38
6% Penalties	<u>15,034.21</u>
Total Interest & Costs	<u>\$ 159,225.59</u>

ANALYSIS OF NONBUDGET REVENUE

Treasurer:	
Refund - Prior Year Expenditures	\$ 43,715.62
Cancel Outstanding Checks	276.00
Recycling Revenues	3,354.65
Sale of Municipal Assets	21,819.00
Lease of Farmland	25,642.52
Mobile Home Park Rent	487,668.14
Miscellaneous	<u>104,672.65</u>
Total Analysis of Nonbudget Revenue	<u>\$ 687,148.58</u>
	Received in Cash \$ 687,148.58
	Other Credits to Income <u>-</u>
	<u>\$ 687,148.58</u>

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	\$ 351,913.61	\$ 351,913.61	\$ 351,909.02	\$ -	\$ 4.59	\$ -
Other Expenses	39,490.00	39,490.00	29,752.09	5,401.02	4,336.89	-
Mayor:						
Salaries and Wages	106,685.56	106,685.56	104,786.83	-	1,898.73	-
Other Expenses	13,834.00	13,834.00	9,118.38	258.85	4,456.77	-
Township Council:						
Salaries and Wages	39,000.00	39,000.00	39,000.00	-	-	-
Other Expenses	103,420.00	103,420.00	47,170.93	54,544.25	1,704.82	-
Municipal Clerk's Office:						
Salaries and Wages	182,462.26	181,462.26	175,506.86	-	5,955.40	-
Other Expenses	22,607.00	22,607.00	15,857.18	3,979.89	2,769.93	-
Election Salaries and Wages	1,000.00	1,000.00	637.89	-	362.11	-
Election Other Expenses	12,350.00	12,350.00	8,355.90	-	3,994.10	-
Financial Administration:						
Salaries and Wages	212,979.01	214,479.01	214,361.66	-	117.35	-
Other Expenses	88,874.72	94,274.72	57,701.07	30,492.55	6,081.10	-
Auditing Services:						
Other Expenses	30,720.00	30,720.00	30,720.00	-	-	-
Computerized Data Processing Center:						
Other Expenses	97,105.00	97,105.00	73,081.14	12,137.80	11,886.06	-
Revenue Administration (Tax Collection):						
Salaries and Wages	63,766.44	62,266.44	61,582.10	-	684.34	-
Other Expenses	12,088.00	12,088.00	6,579.11	-	5,508.89	-
Tax Assessment Administration:						
Salaries and Wages	101,078.04	101,078.04	100,684.72	-	393.32	-
Other Expenses	28,340.00	27,340.00	19,761.12	2,229.87	5,349.01	-
Legal Services (Legal Department):						
Salaries and Wages	155,584.42	155,584.42	150,520.66	-	5,063.76	-
Other Expenses	157,542.56	157,542.56	106,722.60	45,579.11	5,240.85	-
Engineering Services:						
Salaries and Wages	130,295.87	105,195.87	95,589.71	-	9,606.16	-
Other Expenses	78,460.00	78,460.00	49,786.24	20,503.36	8,170.40	-
Economic Development:						
Salaries and Wages	13,493.51	13,493.51	11,694.72	-	1,798.79	-
Other Expenses	20,119.00	15,119.00	5,858.15	-	9,260.85	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	104,939.82	103,539.82	87,179.19	-	16,360.63	-
Other Expenses	52,410.00	49,410.00	25,725.63	14,346.20	9,338.17	-
Other Expenses - Master Plan	-	-	-	-	-	-
Zoning Board of Adjustments:						
Salaries and Wages	40,999.84	33,399.84	33,277.01	-	122.83	-
Other Expenses	9,041.00	9,041.00	4,231.05	4,474.00	335.95	-
Affordable Housing:						
Salaries and Wages	62,376.92	62,376.92	62,376.92	-	(0.00)	-
Other Expenses	17,845.00	15,745.00	3,499.26	1,294.87	10,950.87	-
Housing & Property Maintenance:						
Salaries and Wages	12,951.43	12,951.43	12,951.38	-	0.05	-
Insurance:						
Liability Insurance	203,775.54	203,775.54	202,505.30	-	1,270.24	-
Workers Compensation Insurance	75,887.39	75,887.39	75,887.39	-	-	-
Employee Group Insurance	2,104,614.19	2,179,614.19	2,061,696.08	2,072.63	115,845.48	-
Public Safety Functions:						
Police:						
Salaries and Wages	3,153,021.40	3,153,021.40	3,119,358.97	-	33,662.43	-
Other Expenses	200,138.68	200,138.68	165,514.06	13,979.24	20,645.38	-
Other Expenses - Police K-9	5,500.00	5,500.00	3,967.21	248.21	1,284.58	-
Office of Emergency Management:						
Other Expenses	2,500.00	2,500.00	2,479.77	-	20.23	-

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Public Safety Functions (continued):						
Fire Department:						
Salaries and Wages	1,547,085.51	1,547,085.51	1,543,159.19	-	3,926.32	-
Other Expenses	459,743.40	471,443.40	385,802.89	84,021.06	1,619.45	-
Emergency Medical Services (EMS):						
Other Expenses	14,000.00	14,000.00	13,217.37	660.00	122.63	-
Municipal Prosecutor's Office:						
Other Expenses	56,600.00	49,600.00	33,400.00	11,600.00	4,600.00	-
Public Works Functions:						
Streets & Road Maintenance:						
Salaries and Wages	226,884.84	219,884.84	211,953.37	-	7,931.47	-
Other Expenses	31,040.00	33,040.00	27,740.05	4,900.25	399.70	-
Snow Removal:						
Salaries and Wages	31,000.00	38,500.00	19,595.27	-	18,904.73	-
Other Expenses	40,700.00	48,200.00	35,991.37	7,733.83	4,474.80	-
Solid Waste Collection:						
Salaries and Wages	362,571.95	354,571.95	335,235.99	-	19,335.96	-
Other Expenses	130,311.00	130,311.00	125,502.64	-	4,808.36	-
Buildings & Grounds:						
Salaries and Wages	124,757.45	116,757.45	106,865.42	-	9,892.03	-
Other Expenses	96,118.39	103,618.39	90,608.58	11,186.32	1,823.49	-
Vehicle Maintenance (Including Police Vehicles):						
Salaries and Wages	244,829.05	216,829.05	197,096.67	-	19,732.38	-
Other Expenses	81,720.00	89,220.00	71,669.46	10,519.56	7,030.98	-
Community Services Act (Condo Community Costs):						
Other Expenses	197,355.26	197,355.26	194,523.05	-	2,832.21	-
Multiple Family Dwelling Garbage Reimbursement	19,704.30	19,704.30	19,704.30	-	-	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	17,775.28	17,775.28	17,557.53	-	217.75	-
Other Expenses	101,835.00	101,835.00	92,113.00	4,917.00	4,805.00	-
Environmental Commission:						
Salaries and Wages	1,800.00	1,800.00	1,200.00	-	600.00	-
Other Expenses	1,550.00	1,550.00	479.05	-	1,070.95	-
Parks & Recreation:						
Recreation Services & Programs:						
Salaries and Wages	241,970.48	241,970.48	236,421.40	-	5,549.08	-
Other Expenses	31,683.00	31,683.00	24,380.24	3,102.82	4,199.94	-
Maintenance of Parks:						
Salaries and Wages	-	-	(5,672.31)	-	5,672.31	-
Other Expenses	14,500.00	14,500.00	12,799.59	906.11	794.30	-
Senior Center Operations:						
Salaries and Wages	174,081.36	165,081.36	146,574.48	-	18,506.88	-
Other Expenses	9,295.00	9,295.00	8,099.19	52.48	1,143.33	-
C.A.R.E. Program						
Other Expenses	11,780.00	11,780.00	9,630.61	-	2,149.39	-
Education Functions:						
Municipal Library/County Library:						
Other Expenses	5,900.00	5,900.00	5,893.91	-	6.09	-
Other Common Operating Functions:						
Celebration of Public Events:						
Other Expenses	57,450.00	57,450.00	49,949.01	2,327.30	5,173.69	-

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Utility Expenses & Bulk Purchases:						
Electricity	165,200.00	165,200.00	148,905.23	13,515.00	2,779.77	-
Street Lighting	302,100.00	302,100.00	269,365.46	25,607.33	7,127.21	-
Telephones	68,348.28	68,348.28	61,505.18	2,127.88	4,715.22	-
Water	25,920.00	47,020.00	40,579.07	5,440.93	1,000.00	-
Fuel Oil	7,650.00	8,650.00	5,084.26	2,565.74	1,000.00	-
Gasoline	175,000.00	185,000.00	149,088.30	14,347.43	21,564.27	-
Landfill/Solid Waste Disposal Costs:						
Landfill/Solid Waste Disposal Costs:						
Other Expenses	597,000.00	597,000.00	518,569.27	16,100.00	62,330.73	-
Municipal Court:						
Municipal Court:						
Salaries and Wages	247,204.79	252,204.79	232,482.36	-	19,722.43	-
Other Expenses	16,545.00	16,545.00	9,329.83	4,432.14	2,783.03	-
Public Defender (P.L.1997, C256):						
Other Expenses	7,500.00	7,500.00	2,250.00	5,250.00	-	-
Judgments:						
Other Expenses	15,000.00	15,000.00	-	8,460.00	-	6,540.00
Code Enforcement and Administration:						
State Uniform Construction Code						
Construction Official:						
Salaries and Wages	467,178.83	434,178.83	410,948.51	-	23,230.32	-
Other Expenses	61,890.00	61,890.00	57,273.55	1,652.22	2,964.23	-
Unclassified:						
Salary Adjustment Account:						
Salaries and Wages	55,000.00	55,000.00	45,932.72	-	9,067.28	-
Postage:						
Other Expenses	28,947.84	28,947.84	27,098.96	35.53	1,813.35	-
Central Service:						
Other Expenses	2,100.00	2,100.00	1,498.89	249.79	351.32	-
Total Operation Within "CAPS"	14,685,836.22	14,700,836.22	13,618,790.21	453,252.57	622,253.44	6,540.00
Contingent	1,000.00	1,000.00	-	-	1,000.00	-
Total Operations Including Contingent	14,686,836.22	14,701,836.22	13,618,790.21	453,252.57	623,253.44	6,540.00
Detail:						
Salaries and Wages	8,474,687.67	8,359,087.67	8,120,768.24	-	238,319.43	-
Other Expenses (Including Contingent)	6,212,148.55	6,342,748.55	5,498,021.97	453,252.57	384,934.01	6,540.00
Deferred Charges/Statutory Expenditures -						
Municipal Within "CAPS":						
Statutory Expenditures:						
Contribution to Public Employees'						
Retirement System of New Jersey	449,756.41	449,756.41	449,756.41	-	-	-
Contributions to Social Security	668,516.89	653,516.89	628,621.42	-	24,895.47	-
Contribution to Police & Firemen's						
Retirement System of New Jersey	1,130,565.46	1,130,565.46	1,130,565.46	-	-	-
Defined Contribution Retirement Program	10,000.00	10,000.00	5,019.88	-	4,980.12	-
Total Deferred Charges & Statutory						
Expenditures Within "CAPS"	2,258,838.76	2,243,838.76	2,213,963.17	-	29,875.59	-
Total General Appropriations for Municipal						
Purposes Within "CAPS"	16,945,674.98	16,945,674.98	15,832,753.38	453,252.57	653,129.03	6,540.00
Public Safety Functions:						
Police Dispatch "911":						
Salaries and Wages	585,562.47	585,562.47	574,826.71	-	10,735.76	-
Other Expenses	271,084.57	271,084.57	253,626.10	2,109.00	15,349.47	-
Solid Waste Collection - Recycling Tax	14,500.00	14,500.00	13,119.39	-	1,380.61	-
NJPDES/Stormwater Permit NJSA 40A:4-45.3(cc)	3,000.00	3,000.00	3,000.00	-	-	-
LOSAP	10,000.00	10,000.00	10,000.00	-	-	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Interlocal Services Agreements:						
Automotive Services With Board of Education	2,300.00	2,300.00	2,178.00	-	122.00	-
Automotive Services With Allentown Township	7,500.00	7,500.00	3,814.89	-	3,685.11	-
Automotive Services With Mercer County Soil Conversation	3,000.00	3,000.00	374.70	-	2,625.30	-
Automotive Services With Upper Freehold Township	1,100.00	1,100.00	-	-	1,100.00	-
Automotive Services With Hightstown Township	11,000.00	11,000.00	10,265.00	-	735.00	-
Crossing Guard Services With Board of Education	8,490.48	8,490.48	7,557.88	-	932.60	-
Public & Private Programs Offset by Revenues:						
Sale of Library Books & Audio Visual Sales	5,330.03	5,330.03	5,330.03	-	-	-
Anonymous Local Grant - Senior Center	5,000.00	5,000.00	5,000.00	-	-	-
Anonymous Local Grant - Police	8,500.00	8,500.00	8,500.00	-	-	-
Anonymous Local Grant - Fire	13,500.00	13,500.00	13,500.00	-	-	-
Anonymous Local Grant - Library	6,500.00	6,500.00	6,500.00	-	-	-
Recycling Tonnage Grant	78,679.68	78,679.68	78,679.68	-	-	-
Dept. of Law & Public Safety - Police Body Armor Fund	3,138.96	3,138.96	3,138.96	-	-	-
Police Body Armor Fund - Federal	1,252.35	1,252.35	1,252.35	-	-	-
Matching Funds for Grants	100.00	100.00	-	-	100.00	-
NJ Green Communities	-	-	-	-	-	-
FY20 NJDOT Windsor Road Resurfacing	-	558,000.00	558,000.00	-	-	-
FY18 Assist to Firefighter-Ops and Safety	-	10,947.61	10,947.61	-	-	-
Mercer At Play (2019)	-	500,000.00	500,000.00	-	-	-
Clean Communities Program	-	35,532.05	35,532.05	-	-	-
Drive Sober or Get Pulled Over	4,580.20	4,580.20	4,580.20	-	-	-
FY 2019 Muni Aid Program-Meadowbrook Rd	207,750.00	207,750.00	207,750.00	-	-	-
NJ DOT - FY18 Muni Aid-Combs Rd Resurfacing	-	-	-	-	-	-
Assistance to Firefighters Grant Program	-	-	-	-	-	-
Total Operations Excluded From "CAPS"	1,251,868.74	2,356,348.40	2,317,473.55	2,109.00	36,765.85	-
Detail:						
Salaries and Wages	585,562.47	585,562.47	574,826.71	-	10,735.76	-
Other Expenses	666,306.27	1,770,785.93	1,742,646.84	2,109.00	26,030.09	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvements Fund	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvements Excluded from "CAPS"						
	50,000.00	50,000.00	50,000.00	-	-	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	3,795,000.00	3,795,000.00	3,795,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Notes				-	-	-
Interest on Bonds	1,476,721.02	1,476,721.02	1,476,721.02	-	-	-
Interest on Notes	371,840.42	373,920.42	373,920.40	-	0.02	-
EIT Loan Program:						
Loan Repayments for Principal & Interest	94,494.15	92,414.15	90,517.84	-	(0.00)	1,896.31
Total Municipal Debt Service Excluded from "CAPS"	5,738,055.59	5,738,055.59	5,736,159.26	-	0.02	1,896.31
Deferred Charges:						
Funding of 2016 Refunding Bond Ordinance Fund portion 2018 BAN & Bond due to rounding Special Emergency Authorizations - 5 years	1,556.00	1,556.00	1,556.00	-	-	-
	20,800.00	20,800.00	20,800.00	-	-	-
Total Deferred Charges	22,356.00	22,356.00	22,356.00	-	-	-
Total General Appropriations Excluded from "CAPS"	7,062,280.33	8,166,759.99	8,125,988.81	2,109.00	36,765.87	1,896.31
Subtotal General Appropriations	24,007,955.31	25,112,434.97	23,958,742.19	455,361.57	689,894.90	8,436.31
Reserve For Uncollected Taxes	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
Total General Appropriations	\$ 25,007,955.31	\$ 26,112,434.97	\$ 24,958,742.19	\$ 455,361.57	\$ 689,894.90	\$ 8,436.31
Budget	\$ 25,007,955.31	\$ 25,007,955.31				
Appropriation by 40A:4-87	-	1,104,479.66				
Total	\$ 25,007,955.31	\$ 26,112,434.97				
Reserve for State, Federal & Other Grants			\$ 1,438,710.88			
Deferred Charges			22,356.00			
Reserve for Uncollected Taxes			1,000,000.00			
Disbursed			22,497,675.31			
Total			\$ 24,958,742.19			

**TOWNSHIP OF ROBBINSVILLE
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

ASSETS	REFERENCE	<u>2019</u>
Animal Control Fund:		
Cash - Treasurer	B-1	\$ <u>29,545.99</u>
Total Animal Control Fund		<u>29,545.99</u>
Other Trust Funds:		
Cash	B-1	<u>11,360,991.68</u>
Total Other Trust Funds		<u>11,360,991.68</u>
Total Assets		<u><u>\$ 11,390,537.67</u></u>
 LIABILITIES, RESERVES & FUND BALANCE		
Animal Control Fund:		
Reserve for Dog Fund Expenditures	B-2	\$ 27,992.79
Due to Current Fund	A	1,172.00
Prepaid Dog License Fees - Municipal	B-1	347.60
Prepaid Dog License Fees - State	B-1	32.40
Due to State of New Jersey	B	<u>1.20</u>
Total Animal Control Fund		<u>29,545.99</u>
Other Trust Funds:		
Payroll Deductions Payable	B-3	8,469.75
Premiums Received at Tax Sale	B-8	325,405.00
Tax Title Lien Redemptions	B-8	-
Reserve for:		
Parking Offense Adjudication Act	B-8	508.61
Unemployment Benefits	B-4	327,770.22
Contribution for Newsletter	B-8	-
Fire Donations	B-8	3,158.70
Fire Penalties	B-8	1,407.45
Off-Tract Improvement	B-8	610,896.09
Recreation Facilities	B-8	114,647.40
Police Extra Duty Pay	B-8	17,102.50

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

**TOWNSHIP OF ROBBINSVILLE
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

LIABILITIES, RESERVES & FUND BALANCE (continued):	REFERENCE	<u>2019</u>
Other Trust Funds (continued):		
Reserve for:		
Housing Fees	B-8	50,200.93
Maintenance Guarantee	B-8	294,452.51
Performance Guarantee	B-8	3,176,371.08
Inspection Fees	B-8	519,495.47
Review Costs	B-8	526,311.45
Refund of Joint Insurance Fund Premium	B-8	24,362.38
Law Enforcement	B-8	24,543.55
Public Defender	B-8	31,411.48
Open Space	B-6	1,546,151.78
Open Space - Kushner Property	B-7	586,000.00
NJ Turnpike Wide- Reforestation	B-8	21,922.35
NJ Turnpike Wide- Rec Facilities	B-8	28,521.00
NJ Turnpike Wide- Acq of Land	B-8	65,352.00
Housing Administration (20%)	B-8	288,927.79
Housing General (80%)	B-8	721,742.75
Housing - Administrative Agent Fees	B-8	41,844.42
Housing - Reserve to Pay Debt - Project Freedom	B-8	872,052.50
Volunteer Fire Department Dissolution Funds	B-8	130,075.36
Recreation Activities	B-8	245,322.67
Police K-9 Unit	B-8	2,975.85
Accumulated Absences	B-8	205,853.32
Town Center Public Space	B-8	150,207.92
Snow Removal	B-8	44,728.23
"Keep It Local" Donations	B-8	-
"Keep It Local" Merchant 2%	B-8	-
Acquisition of Washington Woods - Mercer County	B-8	268,436.71
Flexible Spending Accounts	B-8	-
Due to Capital Fund	C	50,000.00
Due to Current Fund	A	<u>34,362.46</u>
Total Other Trust Funds		<u>11,360,991.68</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,390,537.67</u>

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

TOWNSHIP OF ROBBINSVILLE
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019

ASSETS	REFERENCE	<u>2019</u>
Cash	C-2,C-3	\$ 5,695,549.17
Due from Open Space Trust Fund	C-16	5,000.00
Due from Affordable Housing Trust	B	45,000.00
Deferred Charges to Future Taxation:		
Funded	C-4	45,386,484.64
Unfunded	C-5	<u>9,782,391.00</u>
 Total Assets		 <u><u>\$ 60,914,424.81</u></u>
 LIABILITIES, RESERVES & FUND BALANCE		
General Serial Bonds	C-10	\$ 45,209,000.00
Environmental Infrastructure Fund Loan Payable	C-11	72,484.64
Environmental Infrastructure Trust Loan Payable	C-12	105,000.00
Bond Anticipation Notes	C-9	7,055,000.00
Encumbrances Payable	C-8	1,600,200.30
Improvement Authorizations:		
Funded	C-8	2,615,171.95
Unfunded	C-8	3,323,845.13
Capital Improvement Fund	C-6	310,942.41
Reserve to Pay Bonds	C-13	39.51
Reserve for Acquisition of Open Space	C-14	136,068.50
Fund Balance	C-1	<u>486,672.37</u>
 Total Liabilities, Reserves & Fund Balance		 <u><u>\$ 60,914,424.81</u></u>

There were bonds and notes authorized but not issued on December 31, 2019 of \$2,727,391.14

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

ASSETS	REFERENCE	<u>2019</u>
Operating Fund:		
Cash - Treasurer	D-4	<u>\$ 1,973,399.42</u>
Total		<u>1,973,399.42</u>
Receivables & Other Assets With Full Reserves:		
Utility Charges Receivable	D-5	<u>207,071.09</u>
Total Receivable & Other Assets With Full Reserves		<u>207,071.09</u>
Total Operating Fund		<u>2,180,470.51</u>
Capital Fund:		
Cash	D-4	973,766.46
Fixed Capital:		
Completed	D-7	6,016,382.93
Uncompleted	D-11	<u>3,100,000.00</u>
Total Capital Fund		<u>10,090,149.39</u>
Total Operating & Capital Fund		<u><u>\$ 12,270,619.90</u></u>

UNAUDITED DRAFT FINANCIAL STATEMENTS

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2019</u>
Operating Fund:		
Liabilities:		
Appropriation Reserves	D-3	585,793.53
Reserve for Encumbrances	D-3	99,700.86
Accrued Interest Payable	D-12	17,076.58
Deferred Revenue - Reserve for Pump Station		
Maintenance	D	33,000.00
Overpayments	D-6	<u>12,795.87</u>
Subtotal		<u>748,366.84</u>
Reserve for Receivables	D	207,071.09
Fund Balance	D-1	<u>1,225,032.58</u>
Total Operating Fund		<u>2,180,470.51</u>
Capital Fund:		
Liabilities:		
Improvement Authorizations:		
Unfunded	D-10	501,776.53
Bond Anticipation Notes Payable	D-16	1,710,000.00
Capital Improvement Fund	D-13	436,641.08
Reserves for:		
Deferred Amortization	D-15	1,245,000.00
Amortization	D-14	6,016,382.93
Fund Balance	D-17	<u>180,348.85</u>
Total Capital Fund		<u>10,090,149.39</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 12,270,619.90</u></u>

Bonds and notes authorized but not issued as of December 31, 2019 is \$145,000.

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019
Revenue & Other Income Realized:	
Anticipated Revenues:	
Operating Surplus Anticipated	\$ 540,422.04
Service Charges	2,474,089.24
Interest on Investments	49,550.70
Connection Fees	337,043.00
Miscellaneous	28,163.11
Other Credits to Income:	
Miscellaneous Revenue Not Anticipated	3,126.34
Liquidation of Interfund	-
Unexpended Balances of Appropriation Reserves to Fund Balance	495,546.19
 Total Income	 3,927,940.62
 Expenditures:	
Budget Appropriations:	
Operating	3,004,455.01
Capital Improvements	-
Debt Service	198,743.48
Statutory Expenditures	88,467.03
 Total Expenditures	 3,291,665.52
 Excess (Deficit) in Revenue	 636,275.10
 Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	 -
 Statutory Excess to Fund Balance	 636,275.10
 Fund Balance January 1	 1,129,179.52
 Total	1,765,454.62
Less: Utilized by Operating Budget	(540,422.04)
 Balance December 31	 \$ 1,225,032.58

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

TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 540,422.04	\$ 540,422.04	\$ -
Sewer Use Charges	2,450,000.00	2,474,089.24	24,089.24
Interest on Investments	40,000.00	49,550.70	9,550.70
Connection Fees	247,000.00	337,043.00	90,043.00
Miscellaneous - Sewer	22,000.00	28,163.11	6,163.11
Budget Total	3,299,422.04	3,429,268.09	129,846.05
Non Budget Totals	-	3,126.34	3,126.34
Total Revenues	<u>\$ 3,299,422.04</u>	<u>\$ 3,432,394.43</u>	<u>\$ 132,972.39</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous - Sewer:	
Delinquent Interest	\$ 22,163.11
Maintenance Income	<u>6,000.00</u>
Total	<u><u>\$ 28,163.11</u></u>

TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
Operating:						
Salaries & Wages	\$ 233,799.50	\$ 211,799.50	\$ 209,167.95	\$ -	\$ 2,631.55	\$ -
Other Expenses	2,770,655.51	2,792,655.51	2,112,135.35	99,700.86	580,819.30	-
Debt Service:						
Note Principal	152,500.00	152,500.00	152,500.00	-	-	-
Interest on Notes	54,000.00	54,000.00	46,243.48	-	-	7,756.52
Statutory Expenditures						
Public Employee Retirement						
System	70,443.77	70,443.77	70,443.77	-	-	-
Social Security System	17,885.66	17,885.66	15,680.58	-	2,205.08	-
Unemployment Compensation						
Insurance	137.60	137.60	-	-	137.60	-
Total Expenditures	\$3,299,422.04	\$ 3,299,422.04	\$ 2,606,171.13	\$ 99,700.86	\$585,793.53	\$ 7,756.52

Original Budget \$ 3,299,422.04

Total \$ 3,299,422.04

Refund of Expenditures \$ (9,094.83)
Debt Service Accrual (4,833.00)
Cash Disbursed 2,620,098.96

Total \$2,606,171.13

**TOWNSHIP OF ROBBINSVILLE
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019**

ASSETS	<u>2019</u>
Land & Land Improvements	\$ 16,806,746.72
Buildings & Building Improvements	6,390,077.48
Equipment & Vehicles	<u>9,428,288.93</u>
Total	<u><u>\$ 32,625,113.13</u></u>
FUND BALANCE	
Investment in General Fixed Assets	<u><u>\$ 32,625,113.13</u></u>

UNAUDITED DRAFT FINANCIAL STATEMENTS

TOWNSHIP OF ROBBINSVILLE
LENGTH OF SERVICE AWARDS PROGRAM FUND "(LOSAP)" (UNAUDITED)
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE- REGULATORY BASIS
DECEMBER 31, 2019

ASSETS

	2019
Length of Service Award Program Fund ("LOSAP")- Unaudited:	
Investments	\$ 139,868
Total	\$ 139,868

FUND BALANCE

Length of Service Award Program Fund ("LOSAP")- Unaudited:	
Miscellaneous Reserves	\$ 139,868

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF ROBBINSVILLE
COUNTY OF MERCER**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

UNAUDITED DRAFT FINANCIAL STATEMENTS

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

During 2007, the Township of Washington, County of Mercer, New Jersey legally changed its name to the Township of Robbinsville (hereafter referred to as the “Township”) in the November 6, 2007 election. The Township is governed by the Mayor-Council Plan A form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of Council. The five (5) member Township Council exercises legislative responsibilities.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

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

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

LOSAP Fund (Unaudited) – This fund accounts for receipt and disbursement of funds for the Length of Service Award Program.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility Fund 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 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, 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 utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, 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.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their 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 assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” 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 Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

Utility Revenues – Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township’s utility operating fund.

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 Mercer and Robbinsville Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Mercer. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Robbinsville Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district January 1st to December 31st.

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

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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 – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is 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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2019:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following effective dates have been updated to reflect the implementation of Statement No. 95.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 84, Fiduciary Activities. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. This statement had no material impact on the Township's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1. Summary of Significant Accounting Policies (continued)

financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 91, Conduit Debt Obligations, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2. Deposits and Investments (continued):

As of December 31, 2019, the Township's bank balance of \$28,241,798 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$	16,787,892
Uninsured and Uncollateralized		11,453,905
	\$	28,241,798

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2019 would be as followed:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2018 Level 1</u>	<u>Investment Maturities (in Years) Less Than 1 Year</u>
Money Markets	\$ 139,868	\$ 139,868	\$ 139,868
	\$ 139,868	\$ 139,868	\$ 139,868

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2. Deposits and Investments (continued):

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 2.957</u>	<u>\$ 2.938</u>	<u>\$ 2.932</u>
Apportionment of Tax Rate:			
Municipal	0.518	0.521	0.524
Municipal Open Space	0.065	0.065	0.065
County General	0.719	0.709	0.700
Local School	1.655	1.643	1.643

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2019	\$ 2,782,619,567.00
2018	2,648,102,997.00
2017	2,495,280,819.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 77,903,836.79	\$ 77,234,266.73	99.14%
2018	76,543,566.00	75,829,927.00	99.06%
2017	74,976,215.00	74,388,586.00	99.21%

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes (continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2019	\$ 286,551.42	\$ 534,899.79	\$ 821,451.21	1.05%
2018	276,657.00	658,378.00	935,035.00	1.22%
2017	270,096.00	515,036.00	785,132.00	1.05%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2019	14
2018	14
2017	15

The last tax sale was held on July 24, 2018.

Note 4. Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2019, 2018, or 2017.

Note 5. Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 104,004.00	\$ 2,603,895.93	\$ 2,707,899.93	\$ 2,500,828.76	92.35%
2018	87,272.00	2,410,373.00	2,497,645.00	2,393,641.00	95.83%
2017	126,192.00	2,357,906.00	2,484,098.00	2,396,826.00	96.48%

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2019	\$ 4,052,451.72	\$ 3,193,000.00	78.79%
2018	4,421,363.00	3,341,000.00	75.56%
2017	4,762,005.00	3,790,000.00	79.59%
Utility Operating Fund:			
2019	\$ 1,225,032.58	\$ 550,000.00	44.90%
2018	1,129,179.00	540,422.00	47.86%
2017	1,366,060.00	558,092.00	40.85%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 35,534.46	\$ -
Animal Control Trust	-	1,172.00
Trust Other Fund	-	84,362.46
Capital Fund	50,000.00	-
	<u>\$ 85,534.46</u>	<u>\$ 85,534.46</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 8. Interfund Receivables, Payables and Transfers (continued)

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 14.00	\$ -
Animal Control Trust	-	14.00
	\$ 14.00	\$ 14.00

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2019</u>
Land	\$ 9,770,065.00	\$ 7,047,381.72	\$ (10,700.00)	\$ 16,806,746.72
Buildings and Improvements	5,512,776.00	918,541.48	(41,240.00)	6,390,077.48
Machinery & Equipment	9,228,357.00	555,587.93	(355,656.00)	9,428,288.93
	\$ 24,511,198.00	\$ 8,521,511.13	\$ (407,596.00)	\$ 32,625,113.13

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contribution to PERS plan was \$535,249.

Components of Net Pension Liability - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$10,595,185. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.05381% which was an increase of 0.00085% from its proportion measured as of June 30, 2017.

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 2,782,671	\$ 3,825,875
Deferred Inflows of Resources	3,638,833	2,628,029
Net Pension Liability	10,595,185	12,328,019
Township of Robbinsville's portion of the Plan's total net pe	0.05381%	0.05296%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$859,447. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$535,249 to the plan in 2018.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 202,052	\$ 54,632
Changes of Assumptions	1,745,911	3,387,777
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	99,383
Changes in Proportion and Differences between Township of Robbinsville Contributions and Proportionate Share of Contributions	<u>834,708</u>	<u>97,041</u>
	<u>\$ 2,782,671</u>	<u>\$ 3,638,833</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2019	\$ 108,086
2020	38,707
2021	(195,308)
2022	(641,377)
2023	<u>(166,271)</u>
	<u>\$ (856,163)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - 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's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township of Robbinsville's Proportionate Share of the Net Pension Liability	\$ 13,322,224	\$ 10,595,185	\$ 8,307,373

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contributions to PFRS plan was \$1,129,941.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$15,639,550. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.11558%, which was an increase of 0.00335% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 3,002,560	\$ 4,159,573
Deferred Inflows of Resources	4,158,430	2,939,261
Net Pension Liability	15,639,550	17,326,470
Township of Robbinsville's portion of the Plan's total net pension Liability	0.11558%	0.11223%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$1,819,811. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,129,941 to the plan in 2018.

At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 159,112	\$ 64,720
Changes of Assumptions	1,342,445	4,008,147
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	85,563
Changes in Proportion and Differences between Township of Robbinsville Contributions and Proportionate Share of Contributions	1,501,003	-
	<u>\$ 3,002,560</u>	<u>\$ 4,158,430</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2019	\$	833,823
2020		143,865
2021		(624,133)
2022		(1,257,778)
2023		<u>(251,649)</u>
	\$	<u>(1,155,872)</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$2,124,374 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.11558%, which was an increase of 0.00335% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township of Robbinsville's Proportionate Share of Net Pension Liability	\$ 15,639,550
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township of Robbinsville	<u>2,124,374</u>
	<u><u>\$ 17,763,924</u></u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

At December 31, 2018, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$251,629.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement 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 2012 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - 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

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

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 PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF ROBBINSVILLE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township of Robbinsville's Proportionate Share of the Net Pension Liability	\$ 20,931,597	\$ 15,639,550	\$ 11,244,049
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township of Robbi	2,843,211	2,124,374	1,527,318
	\$ 23,774,808	\$ 17,763,924	\$ 12,771,367

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

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

Robbinsville Township provides post-employment medical and prescription drug coverage to eligible retired employees and their spouses and additionally dental, and vision benefits to eligible retired firefighters and their spouses. Any municipal employee hired after January 1, 2006, is ineligible for the above mentioned benefits. Firefighters hired after July 1, 2008, are ineligible for the above mentioned benefits. Public Works employees hired after January 1, 2007, are ineligible for the above mentioned benefits. Employees referred to as 911 employees hired after January 1, 2005, are ineligible for the above mentioned benefits. The Township Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Township Plan does not issue a separate financial report.

Robbinsville Township pays 100% of the insurance cost for the retiree.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Employees and Retirees Covered – At December 31, 2017, the following employees were covered by the Township plan:

Participant Data	<u>Amount</u>
Active Employees	
Total	27
Average Age	48.5
Average Service	17.9
Retired Employees	
Retirees	36
Spouses	24
Total	60
Average Age	65.1

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2018 based on census, plan design and premium information provided by the Township. Census includes 60 retired participants (including spouses) and 27 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2018 of \$23,885,686 is measured at December 31, 2017 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of pay						
Discount Rate	Based on Muni 20 year Aa as published by Fidelity Investments 3.31% at December 31, 2017						
Inflation Rate	2.50%						
Salary Increases	3.00%						
Health Care Cost Trend	7.00% for 2016-2019 grading down to 3.5% (by 0.5% increments) in 2026.						
Per Capita Claims Costs and Premiums	Annual per capita cost for retiree and spouse at age 64 and 65. <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Age 64</td> <td style="padding-right: 20px;">\$</td> <td>16,554</td> </tr> <tr> <td>Age 65</td> <td>\$</td> <td>7,370</td> </tr> </table> <p style="margin-left: 40px;">Above premiums include an allowance of 15% for dependent coverage.</p> <p style="margin-left: 40px;">Per capita costs (non Medicare eligible) are adjusted to reflect expected costs changers related to age. Age factors range from .60 for under age 30 to 3.00 for 71 and up.</p>	Age 64	\$	16,554	Age 65	\$	7,370
Age 64	\$	16,554					
Age 65	\$	7,370					
Age Based Utilization							
Rates of Mortality	RP 2014 White Collar and Blue Collar (as applicable) Tables projected to 2024 with scale MP 18						
Rates of Turnover	Ultimate termination rates vary by age						
Rates of Retirement	Annual rates varying by age						
Rates of Disability	None assumed						
Spouse Assumption	Marrital status is assumed not to change prior to or after retirement						
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan						
Funding Policy	Pay as you go						
Investment Rate of Return	Not applicable						
Asset Valuation Method	Not applicable						

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2018, the discount rate utilized was 3.31%.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2018 were as follows:

Total OPEB Liability	
Balance, January 1, 2018	\$ 21,122,642
Changes for the Year:	
Service Cost	117,926
Interest Cost	810,335
Changes of Assumptions	1,973,815
Difference between Actual and Expected	473,954
Benefits Paid (implicit)	(612,986)
Net Changes	2,763,044
Balance, December 31, 2018	\$ 23,885,686

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

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.31 percent) or 1-percentage pointer higher (4.31 percent) that the current discount rate:

	December 31, 2018		
	At 1% Decrease (2.31%)	At Discount Rate (3.31%)	At 1% Increase (4.31%)
	Total OPEB Liability	\$ 28,883,194.00	\$ 23,885,686.00

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
	Total OPEB Liability	\$ 20,237,894.00	\$ 23,885,686.00

* See Healthcare Cost Trend Assumptions for details of rates.

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

For the year ended December 31, 2018, the Township's OPEB expense was estimated to be \$1,619,777. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 315,969
Changes of Assumptions or other inputs	<u>1,315,877</u>	<u>(373,224)</u>
Total	<u>\$ 1,315,877</u>	<u>\$ (57,255)</u>

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

2019	\$ 691,515
2020	691,515
2021	(124,408)
2022	-
Thereafter	<u>-</u>
	<u>\$ 1,258,622</u>

Other Supplementary Information

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

	Fiscal Year Ending December 31,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$ 117,926	\$ 211,540	N/A
Interest Cost	810,335	740,170	
Changes of Assumptions	1,973,815	(622,040)	
Difference between Actual and Expected Benefits Paid (implicit)	473,954	-	
	<u>(612,986)</u>	<u>(469,169)</u>	
Net Change in Total OPEB Liability	2,763,044	(139,499)	
Total OPEB Liability (Beginning)	<u>21,122,642</u>	<u>21,262,141</u>	
Total OPEB Liability (Ending)	<u>\$ 23,885,686</u>	<u>\$ 21,122,642</u>	
Total Covered Employee Payroll	1,107,860	1,175,324	
Net OPEB Liability as a Percentage of Payroll	2156%	1797%	

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Schedule of Funding Progress

Year Ended	December 31,	
	2018	2017
Total OPEB Liability	\$ 23,885,686	\$ 21,122,642
Fiduciary Net Position	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 23,885,686</u>	<u>\$ 21,122,642</u>
Funded Ratio	0%	0%
Covered Payroll	1,107,860	1,175,324
Net OPEB Liability as a Percentage of Covered Payroll	2156%	1797%

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2018	\$ 928,261	\$ 612,986	\$ 315,275	\$ 1,107,860	55%
2017	951,709	469,169	482,540	1,175,324	40%

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 52,441,484.64	\$ 55,048,991.00	\$ 57,707,728.00
Utility:			
Bonds, Notes and Loans	1,710,000.00	1,862,500.00	2,015,000.00
Total Debt Issued	<u>54,151,484.64</u>	<u>56,911,491.00</u>	<u>59,722,728.00</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	2,727,391.14	1,354,184.00	2,274,764.00
Utility:			
Bonds, Notes and Loans	145,000.00	145,000.00	145,000.00
Total Authorized But Not Issued	<u>2,872,391.14</u>	<u>1,499,184.00</u>	<u>2,419,764.00</u>
Total Gross Debt	<u>\$ 57,023,875.78</u>	<u>\$ 58,410,675.00</u>	<u>\$ 62,142,492.00</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ -	\$ 40.00	\$ 40.00
Funded by Municipal Open Space	15,601,300.00	16,579,000.00	17,531,400.00
Utility:			
Self Liquidating Debt	1,855,000.00	2,007,500.00	2,160,000.00
Total Deductions	<u>17,456,300.00</u>	<u>18,586,540.00</u>	<u>19,691,440.00</u>
Total Net Debt	<u>\$ 39,567,575.78</u>	<u>\$ 39,824,135.00</u>	<u>\$ 42,451,052.00</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 45,834,000.00	\$ 45,834,000.00	\$ -
General Debt	55,168,875.78	15,601,300.00	39,567,575.78
Utility Debt	1,855,000.00	1,855,000.00	-
	<u>\$102,857,875.78</u>	<u>\$ 63,290,300.00</u>	<u>\$ 39,567,575.78</u>

Net Debt \$39,567,575.78 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,699,423,427.67 equals 1.466%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2019 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 94,479,819.97
Net Debt	<u>39,567,575.78</u>
Remaining Borrowing Power	<u>\$ 54,912,244.19</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 3,432,394.82
Deductions:		
Operating and Maintenance Costs	\$ 3,044,455.01	
Debt Service	<u>206,500.00</u>	
Total Deductions		<u>3,250,955.01</u>
Excess/(Deficit) in Revenue		<u>\$ 181,439.81</u>

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On December 3, 2008, the Township issued \$8,910,000 of General Obligation Bonds, Series 2008. The General Obligation Bonds were issued at interest rates varying from 4.00% to 4.25% and mature on December 1, 2019. These bonds were issued for the purposes of (i) permanently financing the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

On November 15, 2011, the Township issued \$9,107,000 of General Obligation Bonds, Series 2011. The General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on December 1, 2031. These bonds were issued for the purposes of (i) permanently financing the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

On May 8, 2014, the Township issued \$2,230,000 of General Obligation Refunding Bonds, Series 2014. The General Obligation Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on October 15, 2020. These bonds were issued for the purpose of refunding General Obligation Bonds, Series 2003.

On July 21, 2015, the Township issued \$10,027,000 of General Obligation Bonds, Series 2015 Taxable. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.30% and mature on July 15, 2040. These bonds were issued for the purpose of the acquisition and mitigation of certain real property located in the south side of the town center and referred to as the "Kushner Tract".

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

On July 21, 2015, the Township issued \$2,375,000 of General Obligation Bonds, Series 2015 Tax-Exempt. The General Obligation Bonds were issued at interest rates varying from 2.50% to 4.00% and mature on July 15, 2040. These bonds were issued for the purpose of the acquisition of real property more commonly described as a portion of Block 23, Lot 1 on the Tax Map of the Township.

On April 19, 2016, the Township issued \$5,690,000 of General Obligation Refunding Bonds, Series 2016. The General Obligation Refunding Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on August 1, 2022. These bonds were issued for the purpose of refunding General Obligation Refunding Bonds, Series 2006.

On May 16, 2017, the Township issued \$7,790,000 of General Obligation Bonds, Series 2017 Taxable. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on May 15, 2047. These bonds were issued for the purpose of the acquisition, and remediation if necessary, of property consisting of Block 9, Lots 1, 25.01, and 55, more commonly known as “Washington Woods”.

On May 22, 2018, the Township issued \$9,295,000 of General Obligation Bonds, Series 2018. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on June 1, 2036. These bonds were issued for the purpose of refunding a portion of bond anticipation notes originally issued in the amount of \$18,424,000, dated July 26, 2017 and maturing July 26, 2018.

On July, 23, 2019 the Township issued \$8,325,000 of General Obligation Bonds, Series 2019. The General Obligation Bonds were issued at interest rates varying from 2.125% to 4.000% and mature on July 15, 2034. These bonds were issued for the purpose of refunding a portion of bond anticipation notes that had a maturity date of July 24, 2019.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,070,000.00	\$ 1,608,615.46	\$ 4,678,615.46
2021	3,165,000.00	1,498,158.52	4,663,158.52
2022	2,450,000.00	1,360,308.52	3,810,308.52
2023	2,370,000.00	1,252,508.52	3,622,508.52
2024	2,420,000.00	1,161,168.52	3,581,168.52
2025-2029	12,765,000.00	4,472,486.34	17,237,486.34
2030-2034	11,017,000.00	2,465,543.80	13,482,543.80
2035-2039	5,065,000.00	1,011,158.13	6,076,158.13
2040-2044	1,987,000.00	315,571.00	2,302,571.00
2045-2047	900,000.00	48,937.50	948,937.50
	<u>\$ 45,209,000.00</u>	<u>\$ 15,194,456.31</u>	<u>\$ 60,403,456.31</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2019:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2019</u>
Series 2019 A	7/23/2029	7/22/2020	2.250%	\$ 7,055,000.00
				<u>\$ 7,055,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2019, the Township had \$2,727,391.14 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2001 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2001 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$665,000 to be repaid over a 20 year period at interest rates ranging from 4.00% to 5.50%, and a no interest Fund Loan Agreement of \$695,000 to be repaid over a 20 year period. The proceeds of the loans are to finance land acquisitions.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 85,397.33	\$ 4,987.50	\$ 90,384.83
2021	92,087.31	2,612.50	94,699.81
	<u>\$ 177,484.64</u>	<u>\$ 7,600.00</u>	<u>\$ 185,084.64</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Municipal Debt (continued)

Sewer Utility Debt

A. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2019:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2019</u>
Series 2019	7/23/2019	7/22/2020	2.750%	<u>\$ 1,710,000.00</u>
				<u>\$ 1,710,000.00</u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

B. Bonds and Notes Authorized But Not Issued

As of December 31, 2019 the Township had \$145,000 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	<u>Balance December 31, 2018</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2019</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	\$ 40,679,000.00	\$ 8,325,000.00	\$ 3,795,000.00	\$ 45,209,000.00	\$ 3,070,000.00
Bond Anticipation Notes	14,105,500.00	7,055,000.00	14,105,500.00	7,055,000.00	7,055,000.00
Loans	264,491.29	-	87,006.65	177,484.64	85,397.33
	<u>\$ 55,048,991.29</u>	<u>\$ 15,380,000.00</u>	<u>\$ 17,987,506.65</u>	<u>\$ 52,441,484.64</u>	<u>\$ 10,210,397.33</u>
Utility Capital:					
Bond Anticipation Notes	\$ 1,862,500.00	\$ 1,710,000.00	\$ 1,862,500.00	\$ 1,710,000.00	\$ 1,710,000.00
	<u>\$ 1,862,500.00</u>	<u>\$ 1,710,000.00</u>	<u>\$ 1,862,500.00</u>	<u>\$ 1,710,000.00</u>	<u>\$ 1,710,000.00</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 13. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2019</u>	2020 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Appropriation - 5 Year	\$ 62,400.00	\$ 20,800.00	\$ 41,600.00

Note 14. 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 benefits 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 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,036,653.03 at December 31, 2019.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2019, the Township has reserved in the Other Trust Fund \$205,853.32 to fund compensated absences in accordance with NJSA 40A:4-39.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 16. Risk Management

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

Joint Insurance Pool

The Township is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Township with the following coverage

Worker's Compensation	\$ 300,000
General Liability	300,000
Employer's Liability	300,000
Auto Liability	300,000
Property Damage	125,000,000
Property/Boiler and Machinery	125,000,000
Auto Physical Damage	125,000,000
Employee Dishonesty Liability	1,000,000

Contributions to the Funds are payable in four installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2019 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ 13,154.22	\$ -	\$ 3,884.00	\$ 327,770.22
2018	-	12,718.00	9.00	253,728.00	318,500.00
2017	60,000.00	12,598.00	423.00	22,608.00	559,501.00

Note 17. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial

**TOWNSHIP OF ROBBINSVILLE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 17. Contingencies (continued)

and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019 the Township estimates that no material liabilities will result from such audits.

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.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2019.

Note 18. Operating Leases

The Township has commitments to lease Copier Machines and a Postage Meter under operating leases varying from 4 to 29 years. Total lease payments made during the year ended December 31, 2019 amounted to \$3,418. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 2,578.00	\$ 2,578.00
	<u>\$ 2,578.00</u>	<u>\$ 2,578.00</u>

Note 19. Length of Service Award Program (“LOSAP”) - Unaudited

The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) to ensure retention of the Township’s volunteer First Aid Squad and Fire Company members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “length of service award plan” under Section 457(e)11 of the Internal Revenue Code.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2019 and June 30, 2020, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the Township that would require disclosure.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 20. Subsequent Events (continued)

COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy by way of executive orders, has ordered, among other things: all State residents to remain home or at their place of residence unless they meet one or more enumerated exceptions; all State residents to practice social distancing; gatherings of individuals, such as parties, celebrations and social events, are cancelled; non-essential businesses to cease operations from 8:00 p.m. to 5:00 a.m.; all restaurants and bars to close except for delivery or takeout services; casinos, racetracks, gyms and fitness centers and entertainment centers to close; all county and municipal libraries to close; all business and non-profits to accommodate telework or work-from-home arrangements; the cessation of all non-essential construction projects; an extension of insurance premium grace periods; all Pre-K through 12 schools to close; all universities and colleges in the State to cease in-person instruction; The Township expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread of and impacts of COVID-19.

The Township cannot reasonably predict how long the outbreak may impact the financial condition or operations of the Township, whether there will be any impact on the assessed values of property within the Township or the deferral of tax payments to the Township or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the Township.

On March 24, 2020, the Division of Local Government Services in the New Jersey Department of Community Affairs extended the date for introduction of municipal budgets to April 28, 2020 (or the next regularly scheduled governing body meeting thereafter) and the date for municipal budget adoption to May 30, 2020 (or the next regularly scheduled governing body meeting thereafter). The New Jersey Legislature is considering legislation that, if enacted, would permit the extension of any additional deadlines under the Local Budget Law, the Local Fiscal Affairs Law and the laws with respect to the issuance of tax bills. Such proposed legislation would also permit municipalities to institute an extended grace period for the receipt of property tax payments and to extend the dates for the payment of taxes by a municipality due to a county, a school district or any other taxing district. A proposed amendment to such proposed legislation would also provide that any shortfall in the property tax payments received by the municipality would be borne *pro rata* by the municipality, the county and the school district(s). There can be no assurance that this legislation, or any other actions, will be enacted by the New Jersey Legislature. The Township does not plan to issue any updates or revisions regarding this legislation, or any other actions enacted by the New Jersey Legislature, if or when such legislation or other actions are enacted.

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**AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP
FOR THE YEAR ENDED DECEMBER 31, 2018**

TOWNSHIP OF ROBBINSVILLE
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2018

**TOWNSHIP OF ROBBINSVILLE
COUNTY OF MERCER, NEW JERSEY**

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**TOWNSHIP OF ROBBINSVILLE
COUNTY OF MERCER**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Robbinsville
County of Mercer
Robbinsville, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Robbinsville as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2018 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 accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Opinions

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

As described in Note 1, the financial statements are prepared by the Township of Robbinsville 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 U.S. Generally Accepted Accounting Principles” 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, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

Basis for Disclaimer of Opinion on LOSAP Trust Fund

The Township’s supporting documents related to the LOSAP Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund as part of our audit of the Township’s basic financial statements as of December 31, 2018 and 2017.

Disclaimer of Opinion on LOSAP Trust Fund

Due to the fact that we were not required to audit the LOSAP Trust Fund for the year ending December 31, 2018 and 2017, we do not express an opinion of the LOSAP Trust Fund financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2018 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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, &74. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 7, 2019 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt", written over a horizontal line.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
August 7, 2019

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Township Council
Township of Robbinsville
County of Mercer
Robbinsville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Robbinsville, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 7, 2019. Our report indicated that the Township’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt", with a stylized flourish at the end.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
August 7, 2019

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Regular Fund:			
Cash	A-4	\$ 6,822,806	\$ 11,513,568
Cash - Change Funds	A-6	1,150	950
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-8	9,411	7,661
Total		<u>6,833,367</u>	<u>11,522,179</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-7	658,378	515,036
Tax Title Liens Receivable	A-9	276,657	270,096
Demolition Liens Receivable	A	9,800	9,800
6% Year-End Penalties	A	16,784	8,201
Other Receivables	A	1,087	1,452
Revenue Accounts Receivable	A-10	26,051	35,619
Due From Interfunds:			
Animal Control Trust Fund	B	14	-
Trust Other Fund	B	15,298	153,504
General Capital Fund	C	-	7,352
Total Receivables & Other Assets With Full Reserves		<u>1,004,069</u>	<u>1,001,060</u>
Deferred Charges To Future Taxation:			
Special Emergency Appropriation - 5 Year	A	83,200	-
Redemption of Bond Anticipation Notes	A	-	748
Total		<u>83,200</u>	<u>748</u>
Total Regular Funds		<u>7,920,636</u>	<u>12,523,987</u>
Federal, State & Other Grants:			
Cash	A-4	1,775,918	1,834,286
Federal, State & Other Grants Receivable	A-19	759,490	942,727
Total Federal, State & Other Grants		<u>2,535,408</u>	<u>2,777,013</u>
Total Assets		<u>\$ 10,456,044</u>	<u>\$ 15,301,000</u>

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

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2018	2017
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 978,739	\$ 561,684
Reserve for Encumbrances	A-3	292,932	501,439
Accounts Payable	A-18	41,950	144,688
Due to State of NJ	A-17	15,896	14,427
Prepaid Taxes	A-16	456,102	5,121,109
Due County for Added & Omitted Taxes	A-11	297,203	265,083
Tax Overpayments	A-15	104,807	3,332
Special Emergency Note Payable	A	83,200	-
Reserve for Tax Appeals	A	100,000	100,000
Reserve for Revision & Codification of Ordinances	A	30,452	42,547
Reserve for Preparation of a Master Plan Amendment	A	35,812	619
Reserve for Street Opening	A	100	100
Reserve for Garden State Trust	A	5,894	5,894
Reserve for Pilots Due to County	A	52,117	-
Subtotal Regular Fund		<u>2,495,204</u>	<u>6,760,922</u>
Reserve for Receivables & Other Assets	A	1,004,069	1,001,060
Fund Balance	A-1	<u>4,421,363</u>	<u>4,762,005</u>
Total Regular Fund		<u>7,920,636</u>	<u>12,523,987</u>
Federal, State & Other Grants:			
Reserve for Encumbrances	A-20	71,560	553,926
Reserve for Federal, State & Other Grants:			
Appropriated	A-20	2,452,686	2,122,886
Unappropriated	A-21	11,162	100,201
Total Federal, State & Other Grants		<u>2,535,408</u>	<u>2,777,013</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 10,456,044</u>	<u>\$ 15,301,000</u>

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

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 3,790,000	\$ 3,514,030
Miscellaneous Revenue Anticipated	7,589,258	7,253,494
Receipts From Delinquent Taxes & Tax Title Liens	924,228	642,036
Receipts From Current Taxes	75,829,927	74,388,586
Nonbudget Revenue	538,900	585,202
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	633,699	783,172
Cancellation of Prior Year Grant Appropriation	2,380	1,350
Interfund Returned	10,854	10,821
	89,319,246	87,178,691
Total		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	8,118,488	7,701,316
Other Expenses	6,457,383	6,106,395
Deferred Charges & Statutory Expenditures	2,073,025	1,973,336
Excluded From "CAPS":		
Operations:		
Salaries & Wages	587,709	613,773
Other Expenses	793,865	802,456
Capital Improvements	301,654	216,533
Municipal Debt Service	5,508,058	4,828,169
Deferred Charges	21,548	632,097
Municipal Open Space Tax	1,689,022	1,646,052
County Taxes	18,130,117	17,457,632
Amount Due County for Added & Omitted Taxes	297,203	265,083
Local District School Tax	41,993,428	41,011,400
Senior Citizen & Veteran Deductions Disallowed Prior Year	2,388	2,000
	85,973,888	83,256,242
Total Expenditures		
Excess/Deficit in Revenue	3,345,358	3,922,449
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	104,000	-
Statutory Excess to Fund Balance	3,449,358	3,922,449
Fund Balance January 1	4,762,005	4,353,586
Total	8,211,363	8,276,035
Decreased by: Utilization as Anticipated Revenue	(3,790,000)	(3,514,030)
Fund Balance December 31	\$ 4,421,363	\$ 4,762,005

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

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 3,790,000	\$ -	\$ 3,790,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	20,000	-	21,188	1,188
Other	10,000	-	27,380	17,380
Fees & Permits - Other	130,000	-	154,635	24,635
Fines & Costs - Municipal Court	480,000	-	457,501	(22,499)
Interest & Costs on Taxes	110,000	-	135,634	25,634
Interest on Investments & Deposits	150,000	-	382,944	232,944
Rental Revenue	250,000	-	-	(250,000)
Project Freedom	150,000	-	150,000	-
Capital Surplus	250,000	-	250,000	-
CATV Franchise Fees	104,958	-	104,958	-
Fire Department:				
Inspection Fees - Turnpike Authority	80,000	-	97,925	17,925
Fire Service Revenue	10,000	-	14,660	4,660
Garden State Preservation Trust	5,894	-	5,894	-
Energy Receipts Tax	1,414,330	-	1,414,330	-
Uniform Construction Code Fees	692,000	-	1,005,924	313,924
Interlocal Services Agreements:				
Board of Education for Automotive Services	4,000	-	1,480	(2,520)
Allentown for Automotive Services	7,500	-	7,548	48
Mercer County Soil for Automotive Services	1,100	-	2,181	1,081
Upper Freehold for Automotive Services	650	-	233	(417)
Hightstown for Automotive Services	8,400	-	10,467	2,067
Board of Education for Crossing Guard	6,200	-	6,268	68
Board of Education for High School Resource Officer	82,692	-	135,000	52,308
Sale of Library Books & Audio Visual Sales	3,349	-	3,349	-
Anonymous Local Grant - Senior Center	5,000	-	5,000	-
Anonymous Local Grant - Police	8,500	-	8,500	-
Anonymous Local Grant - Fire	10,000	-	10,000	-
Anonymous Local Grant - Library	6,500	-	6,500	-
Recycling Tonnage Grant	76,508	-	76,508	-
NJ DEP - Green Communities	-	3,000	3,000	-
Dept. of Law & Public Safety - Police Body Armor Fund	2,669	-	2,669	-
Police Body Armor Fund - Federal	4,174	-	4,174	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-
Clean Communities Program	-	31,833	31,833	-
Muni Aid Prog-Combs Road Resurfacing Project	280,000	-	280,000	-
Assistance to Firefighters Grant Program	-	18,477	18,477	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Miscellaneous Revenues (continued):				
Payment in Lieu of Taxes - Project Freedom West Gate	1,340	-	1,340	-
Payment in Lieu of Taxes - Project Freedom	8,000	-	8,000	-
Payment in Lieu of Taxes - KTR/ Amazon	559,926	-	529,197	(30,729)
Payment in Lieu of Taxes - Matrix 500A	8,691	-	8,730	39
Payment in Lieu of Taxes - Matrix 500B	8,028	-	8,938	910
Payment in Lieu of Taxes - United Way	1,500	-	1,500	-
Payment in Lieu of Taxes - Serv Properties & Management	1,500	-	1,500	-
Payment in Lieu of Taxes - The Arc Mercer Inc.	1,500	-	1,500	-
Payment in Lieu of Taxes- Community Options	4,500	-	3,376	(1,124)
Payment in Lieu of Taxes- Eden Autism	2,000	-	5,645	3,645
Tax Abatement - McKesson	180,611	-	180,611	-
Sale of Municipal Assets	450,000	-	450,000	-
Open Space Tax for Debt Service	1,523,261	-	1,523,261	-
Building Rental - Sewer Utility	24,000	-	24,000	-
				-
Total Miscellaneous Revenues	7,139,281	58,810	7,589,258	391,167
Receipt From Delinquent Taxes	450,000	-	924,228	474,228
Local Tax for Municipal Purposes	13,324,058	-	14,720,157	1,396,099
				-
Budget Totals	24,703,339	58,810	27,023,643	2,261,494
Nonbudget Revenues	-	-	538,900	538,900
				-
Total Revenues	24,703,339	58,810	27,562,543	2,800,394

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 75,829,927
Less: School, County & Special District Taxes	<u>62,109,770</u>
Balance for Support of Municipal Budget Appropriations	13,720,157
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,000,000</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 14,720,157</u></u>
Delinquent Property Taxes Receivable	<u>\$ 924,228</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 924,228</u></u>
Licenses - Other:	
Board of Health - Food Handlers	\$ 12,835
Vending Machine Licenses	150
Licenses & Permits	13,195
Vital Statistics Fee	<u>1,200</u>
Total Licenses - Other	<u><u>\$ 27,380</u></u>
Fees & Permits - Other:	
Police Fees & Permits	\$ 3,423
Off-Duty Police Administrative Fees	23,910
Housing Inspection Fees	38,479
Zoning Permits	8,610
Variance Fees	10,690
Conceptual Review Fees	200
Site Plan Fees	52,014
Design Waiver Fees	950
Major Subdivision Fees	2,225
Minor Subdivision Fees	725
Perc & Soil Permits	4,600
Septic & Well Permits	3,250
Pool Permits	1,350
Street Opening Permits	1,100
Returned Check Fees	160
Copies and Miscellaneous Fees	943
Dog License - Late Fees	1,154
Certified Tax List Fees	402
Publication Fees	<u>450</u>
Total Fees & Permits - Other	<u><u>\$ 154,635</u></u>

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ANALYSIS OF INTEREST & COST IN TAXES

Interest & Costs	\$ 127,433
6% Penalties	<u>8,201</u>
 Total Interest & Costs	 <u><u>\$ 135,634</u></u>

ANALYSIS OF NONBUDGET REVENUE

Treasurer:	
Refund - Prior Year Expenditures	\$ 37,785
Recycling Revenues	2,797
Sale of Municipal Assets	2
Lease of Farmland	29,841
EDAC Events	2,125
Sale of Recycling Lids	860
Hotel Occupancy Tax	103,555
Forfeiture of 2015/2016 Flexible Spending Balances	225
Senior Citizens & Veterans Administrative Fee	1,052
2017 EMS Shared Service - Highstown	40,000
Interlocal Services Agreement - Highstown Municipal Court	60,000
Miscellaneous	<u>260,658</u>
 Total Analysis of Nonbudget Revenue	 <u><u>\$ 538,900</u></u>
Received in Cash	\$ 288,900
Other Credits to Income	<u>250,000</u>
	<u><u>\$ 538,900</u></u>

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
General Government:						
General Administration:						
Salaries and Wages	248,061	248,061	248,061	-	-	-
Other Expenses	41,465	41,465	30,082	3,881	7,502	-
Mayor:						
Salaries and Wages	104,944	104,944	104,944	-	-	-
Other Expenses	14,775	8,775	5,631	990	2,154	-
Township Council:						
Salaries and Wages	39,000	39,000	37,500	-	1,500	-
Other Expenses	75,020	75,020	19,024	23,683	32,313	-
Municipal Clerk's Office:						
Salaries and Wages	177,982	177,982	172,717	-	5,265	-
Other Expenses	21,205	21,205	15,759	1,304	4,142	-
Election Salaries and Wages	1,000	1,000	966	-	34	-
Election Other Expenses	6,350	6,350	4,633	-	1,717	-
Financial Administration:						
Salaries and Wages	273,959	276,259	276,241	-	18	-
Other Expenses	72,306	70,006	49,741	8,291	11,974	-
Auditing Services:						
Other Expenses	30,720	30,720	30,720	-	-	-
Computerized Data Processing Center:						
Other Expenses	87,037	82,037	69,897	8,719	3,421	-
Revenue Administration (Tax Collection):						
Salaries and Wages	77,829	77,829	72,999	-	4,830	-
Other Expenses	16,990	16,990	6,232	361	10,397	-
Tax Assessment Administration:						
Salaries and Wages	95,483	95,483	95,150	-	333	-
Other Expenses	31,988	31,988	20,316	-	11,672	-
Legal Services (Legal Department):						
Salaries and Wages	71,200	71,350	71,346	-	4	-
Other Expenses	258,990	258,990	152,097	64,378	42,515	-
Engineering Services:						
Salaries and Wages	127,827	127,827	87,949	-	39,878	-
Other Expenses	51,395	51,395	14,507	29,561	7,327	-
Economic Development:						
Salaries and Wages	13,236	13,236	11,436	-	1,800	-
Other Expenses	20,870	20,870	11,209	2,395	7,266	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	96,100	96,200	80,582	-	15,618	-
Other Expenses	70,385	70,385	47,702	18,739	3,944	-
Other Expenses - Master Plan	-	104,000	104,000	-	-	-
Zoning Board of Adjustments:						
Salaries and Wages	32,262	32,262	24,263	-	7,999	-
Other Expenses	11,907	13,907	6,102	5,758	2,047	-
Affordable Housing:						
Salaries and Wages	61,154	61,154	61,154	-	-	-
Other Expenses	5,845	5,845	1,918	922	3,005	-
Housing & Property Maintenance:						
Salaries and Wages	11,774	11,774	11,774	-	-	-
Insurance:						
Liability Insurance	199,427	199,427	179,422	-	20,005	-
Workers Compensation Insurance	106,097	106,097	103,595	-	2,502	-
Employee Group Insurance	2,106,909	2,191,909	2,135,842	34	56,033	-
Public Safety Functions:						
Police:						
Salaries and Wages	2,979,145	2,979,145	2,948,397	-	30,748	-
Other Expenses	203,380	203,380	162,626	31,821	8,933	-
Other Expenses - Police K-9	5,400	5,400	3,710	1,162	528	-
Office of Emergency Management:						
Other Expenses	2,500	2,500	2,350	150	-	-

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Public Safety Functions (continued):						
Fire Department:						
Salaries and Wages	1,556,054	1,556,054	1,528,586	-	27,468	-
Other Expenses	496,938	496,938	392,065	14,016	90,857	-
Emergency Medical Services (EMS):						
Other Expenses	14,500	15,500	15,500	-	-	-
Municipal Prosecutor's Office:						
Other Expenses	56,600	56,600	38,200	6,800	11,600	-
Public Works Functions:						
Streets & Road Maintenance:						
Salaries and Wages	221,979	222,979	219,488	-	3,491	-
Other Expenses	31,040	33,040	28,491	1,649	2,900	-
Snow Removal:						
Salaries and Wages	25,000	25,000	24,913	-	87	-
Other Expenses	45,250	45,250	42,361	849	2,040	-
Solid Waste Collection:						
Salaries and Wages	367,277	352,727	325,473	-	27,254	-
Other Expenses	130,300	130,300	130,233	-	67	-
Buildings & Grounds:						
Salaries and Wages	184,421	140,421	115,180	-	25,241	-
Other Expenses	91,282	94,282	82,048	11,320	914	-
Vehicle Maintenance (Including Police Vehicles):						
Salaries and Wages	220,231	220,231	208,758	-	11,473	-
Other Expenses	76,420	83,920	77,508	5,299	1,113	-
Community Services Act (Condo Community Costs):						
Other Expenses	189,409	190,359	190,264	-	95	-
Multiple Family Dwelling Garbage Reimbursement	19,390	19,390	19,390	-	-	-
Health & Human Services:						
Public Health Services (Board of Health):						
Salaries and Wages	17,316	17,316	17,316	-	-	-
Other Expenses	87,166	87,166	83,117	2,000	2,049	-
Environmental Commission:						
Salaries and Wages	1,800	1,900	1,900	-	-	-
Other Expenses	2,100	2,100	1,448	-	652	-
Parks & Recreation:						
Recreation Services & Programs:						
Salaries and Wages	223,989	223,989	198,913	-	25,076	-
Other Expenses	22,545	25,045	22,706	2,327	12	-
Maintenance of Parks:						
Salaries and Wages	21,035	21,035	12,910	-	8,125	-
Other Expenses	16,000	16,000	8,570	2,459	4,971	-
Senior Center Operations:						
Salaries and Wages	199,111	199,111	169,687	-	29,424	-
Other Expenses	8,884	9,884	7,972	1,594	318	-
Education Functions:						
Municipal Library/County Library:						
Other Expenses	5,900	5,900	5,664	-	236	-
Other Common Operating Functions:						
Celebration of Public Events:						
Other Expenses	59,600	59,600	46,037	1,215	12,348	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
Utility Expenses & Bulk Purchases:						
Electricity	164,200	164,200	138,780	-	25,420	-
Street Lighting	305,000	305,000	268,088	-	36,912	-
Telephones	67,200	67,200	61,601	-	5,599	-
Water	25,920	25,920	19,280	-	6,640	-
Fuel Oil	7,500	7,500	5,841	1,659	-	-
Gasoline	165,000	181,000	139,365	15,042	26,593	-
Landfill/Solid Waste Disposal Costs:						
Landfill/Solid Waste Disposal Costs:						
Other Expenses	607,000	607,000	537,829	130	69,041	-
Municipal Court:						
Municipal Court:						
Salaries and Wages	275,966	275,966	244,426	-	31,540	-
Other Expenses	14,560	14,560	12,070	517	1,973	-
Public Defender (P.L.1997, C256):						
Other Expenses	7,500	7,500	2,500	5,000	-	-
Judgments:						
Other Expenses	25,000	25,000	-	-	25,000	-
Code Enforcement and Administration:						
State Uniform Construction Code						
Construction Official:						
Salaries and Wages	441,203	388,253	374,903	-	13,350	-
Other Expenses	31,540	31,540	22,664	6,533	2,343	-
Unclassified:						
Salary Adjustment Account:						
Salaries and Wages	60,000	60,000	40,765	-	19,235	-
Postage:						
Other Expenses	28,278	28,478	28,106	-	372	-
Central Service:						
Other Expenses	1,550	1,550	950	150	450	-
Total Operation Within "CAPS"	14,470,871	14,574,871	13,394,460	280,708	899,703	-
Contingent	1,000	1,000	-	-	1,000	-
Total Operations Including Contingent	14,471,871	14,575,871	13,394,460	280,708	900,703	-
Detail:						
Salaries and Wages	8,226,338	8,118,488	7,788,697	-	329,791	-
Other Expenses (Including Contingent)	6,245,533	6,457,383	5,605,763	280,708	570,912	-
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Contribution to Public Employees' Retirement System of New Jersey	421,514	421,514	421,514	-	-	-
Contributions to Social Security	648,766	648,766	600,689	-	48,077	-
Contribution to Police & Firemen's Retirement System of New Jersey	998,745	998,745	998,745	-	-	-
Defined Contribution Retirement Program	4,000	4,000	3,882	-	118	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,073,025	2,073,025	2,024,830	-	48,195	-
Total General Appropriations for Municipal Purposes Within "CAPS"	16,544,896	16,648,896	15,419,290	280,708	948,898	-
Public Safety Functions:						
Police Dispatch "911":						
Salaries and Wages	587,709	587,709	568,904	-	18,805	-
Other Expenses	281,631	281,631	263,086	12,224	6,321	-
Solid Waste Collection - Recycling Tax	14,500	14,500	13,236	-	1,264	-
NJPDES/Stormwater Permit NJSA 40A:4-45.3(cc)	3,000	3,000	3,000	-	-	-
LOSAP	10,000	10,000	9,999	-	1	-

TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Interlocal Services Agreements:						
Automotive Services With Board of Education	2,200	2,200	1,240	-	960	-
Automotive Services With Allentown Township	7,700	7,700	7,548	-	152	-
Automotive Services With Mercer County Soil Conversation	1,600	1,600	1,600	-	-	-
Automotive Services With Upper Freehold Township	1,300	1,300	233	-	1,067	-
Automotive Services With Hightstown Township	8,000	8,000	7,641	-	359	-
Crossing Guard Services With Board of Education	8,324	8,324	7,512	-	812	-
Public & Private Programs Offset by Revenues:						
Sale of Library Books & Audio Visual Sales	3,349	3,349	3,349	-	-	-
Anonymous Local Grant - Senior Center	5,000	5,000	5,000	-	-	-
Anonymous Local Grant - Police	8,500	8,500	8,500	-	-	-
Anonymous Local Grant - Fire	10,000	10,000	10,000	-	-	-
Anonymous Local Grant - Library	6,500	6,500	6,500	-	-	-
Recycling Tonnage Grant	76,508	76,508	76,508	-	-	-
Dept. of Law & Public Safety - Police Body Armor Fund	2,669	2,669	2,669	-	-	-
Police Body Armor Fund - Federal	4,174	4,174	4,174	-	-	-
Matching Funds for Grants	100	100	-	-	100	-
NJ Green Communities	-	3,000	3,000	-	-	-
Clean Communities Program	-	31,833	31,833	-	-	-
Drive Sober or Get Pulled Over	-	5,500	5,500	-	-	-
NJ DOT - FY18 Muniaid-Combs Rd Resurfacing	280,000	280,000	280,000	-	-	-
Assistance to Firefighters Grant Program	-	18,477	18,477	-	-	-
Total Operations Excluded From "CAPS"	1,322,764	1,381,574	1,339,509	12,224	29,841	-
Detail:						
Salaries and Wages	587,709	587,709	568,904	-	18,805	-
Other Expenses	735,055	793,865	770,605	12,224	11,036	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvements Fund	301,654	301,654	301,654	-	-	-
Total Capital Improvements Excluded from "CAPS"						
	301,654	301,654	301,654	-	-	-

**TOWNSHIP OF ROBBINSVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	3,370,000	3,370,000	3,370,000	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	196,080	196,080	196,080	-	-	-
Interest on Bonds	1,385,299	1,385,299	1,384,730	-	-	569
Interest on Notes	471,124	471,124	471,124	-	-	-
EIT Loan Program:						
Loan Repayments for Principal & Interest	89,974	89,974	86,124	-	-	3,850
Total Municipal Debt Service Excluded from "CAPS"	5,512,477	5,512,477	5,508,058	-	-	4,419
Deferred Charges:						
Funding of 2016 Refunding Bond Ordinance Special Emergency Authorizations - 5 years	748	748	748	-	-	-
	20,800	20,800	20,800	-	-	-
Total Deferred Charges	21,548	21,548	21,548	-	-	-
Total General Appropriations Excluded from "CAPS"	7,158,443	7,217,253	7,170,769	12,224	29,841	4,419
Subtotal General Appropriations	23,703,339	23,866,149	22,590,059	292,932	978,739	4,419
Reserve For Uncollected Taxes	1,000,000	1,000,000	1,000,000	-	-	-
Total General Appropriations	\$ 24,703,339	\$ 24,866,149	\$ 23,590,059	\$ 292,932	\$ 978,739	\$ 4,419
Budget	\$ 24,703,339	\$ 24,703,339				
Special Emergency	-	104,000				
Appropriation by 40A:4-87	-	58,810				
Total	\$ 24,703,339	\$ 24,866,149				
Reserve for State, Federal & Other Grants			\$ 455,510			
Deferred Charges			21,548			
Reserve for Master Plan Amendment			104,000			
Reserve for Uncollected Taxes			1,000,000			
Refunds			(875,875)			
Disbursed			22,884,876			
Total			\$ 23,590,059			

**TOWNSHIP OF ROBBINSVILLE
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	2018	2017
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 28,902	\$ 30,254
Total Animal Control Fund		<u>28,902</u>	<u>30,254</u>
Other Trust Funds:			
Cash	B-1	11,751,526	13,365,461
Total Other Trust Funds		<u>11,751,526</u>	<u>13,365,461</u>
Small Cities Revolving Loan Trust Fund:			
Cash	B-1	-	6,656
Total Small Cities Revolving Loan Trust Fund		<u>-</u>	<u>6,656</u>
Total Assets		<u>\$ 11,780,428</u>	<u>\$ 13,402,371</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Reserve for Dog Fund Expenditures	B-2	\$ 25,446	\$ 27,279
Due to Current Fund	A	14	-
Prepaid Dog License Fees - Municipal	B-1	3,176	2,787
Prepaid Dog License Fees - State	B-1	266	188
Total Animal Control Fund		<u>28,902</u>	<u>30,254</u>
Other Trust Funds:			
Payroll Deductions Payable	B-3	8,272	3,850
Premiums Received at Tax Sale	B-8	215,505	320,205
Tax Title Lien Redemptions	B-8	-	17,452
Reserve for:			
Parking Offense Adjudication Act	B-8	502	502
Unemployment Benefits	B-4	318,500	559,421
Contribution for Newsletter	B-8	-	2,212
Fire Donations	B-8	5,796	6,683
Fire Penalties	B-8	2,352	1,063
Off-Tract Improvement	B-8	488,112	340,852
Recreation Facilities	B-8	114,647	114,647
Police Extra Duty Pay	B-8	24,170	3,740

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

**TOWNSHIP OF ROBBINSVILLE
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

LIABILITIES, RESERVES & FUND BALANCE (continued):	REFERENCE	2018	2017
Other Trust Funds (continued):			
Reserve for:			
Housing Fees	B-8	50,051	-
Maintenance Guarantee	B-8	291,326	288,790
Performance Guarantee	B-8	3,250,228	3,057,967
Inspection Fees	B-8	530,365	439,780
Review Costs	B-8	499,157	481,463
Refund of Joint Insurance Fund Premium	B-8	27,582	25,142
Law Enforcement	B-8	48,677	29,475
Public Defender	B-8	27,795	18,413
Open Space	B-6	2,060,138	2,209,231
Open Space - Kushner Property	B-7	1,232,000	1,532,000
NJ Turnpike Wide- Reforestation	B-8	88,367	116,839
NJ Turnpike Wide- Rec Facilities	B-8	28,521	28,521
NJ Turnpike Wide- Acq of Land	B-8	65,352	65,352
Housing Administration (20%)	B-8	56,755	33,153
Housing General (80%)	B-8	1,005,818	1,914,054
Housing - Administrative Agent Fees	B-8	28,190	49,826
Volunteer Fire Department Dissolution Funds	B-8	139,106	-
Recreation Activities	B-8	191,997	204,073
Police K-9 Unit	B-8	2,756	1,782
Accumulated Absences	B-8	205,853	222,906
Town Center Public Space	B-8	150,207	5,288
Snow Removal	B-8	52,860	103,713
"Keep It Local" Donations	B-8	7,575	7,575
"Keep It Local" Merchant 2%	B-8	167	167
Acquisition of Washington Woods - Mercer County	B-8	512,529	1,000,000
Flexible Spending Accounts	B-8	-	820
Due to Capital Fund	C	5,000	5,000
Due to Current Fund	A	15,298	153,504
		11,751,526	13,365,461
Total Other Trust Funds			
Small Cities Revolving Loan Trust Fund:			
Reserve for Small Cities Revolving Loans	B-5	-	6,656
		-	6,656
Total Small Cities Revolving Loan Trust Fund			
		-	6,656
Total Liabilities, Reserves & Fund Balance		\$ 11,780,428	\$ 13,402,371

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

**TOWNSHIP OF ROBBINSVILLE
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	<u>2018</u>	<u>2017</u>
Cash	C-2,C-3	\$ 13,271,000	\$ 13,359,136
Due from Open Space Trust Fund	C-16	5,000	5,000
Deferred Charges to Future Taxation:			
Funded	C-4	40,943,491	35,098,728
Unfunded	C-5	<u>15,459,684</u>	<u>24,883,764</u>
 Total Assets		 <u>\$ 69,679,175</u>	 <u>\$ 73,346,628</u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-10	\$ 40,679,000	\$ 34,754,000
Environmental Infrastructure Fund Loan Payable	C-11	109,491	144,728
Environmental Infrastructure Trust Loan Payable	C-12	155,000	200,000
Bond Anticipation Notes	C-9	14,105,500	22,609,000
Encumbrances Payable	C-8	1,147,168	988,070
Improvement Authorizations:			
Funded	C-8	3,788,461	2,346,876
Unfunded	C-8	8,485,616	11,208,431
Capital Improvement Fund	C-6	394,653	105,999
Due to Current Fund	A	-	7,352
Reserve to Pay Bonds	C-13	40	40
Reserve for Acquisition of Open Space	C-14	136,069	136,069
Fund Balance	C-1	<u>678,177</u>	<u>846,063</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 69,679,175</u>	 <u>\$ 73,346,628</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$1,354,184 and on December 31, 2017 was \$2,274,764.

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	REFERENCE	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash - Treasurer	D-4	\$ 1,779,228	\$ 1,548,259
Total		<u>1,779,228</u>	<u>1,548,259</u>
Receivables & Other Assets With Full Reserves:			
Utility Charges Receivable	D-5	104,004	87,272
Interfund Receivable - Sewer Capital Fund	D	<u>-</u>	<u>7,036</u>
Total Receivable & Other Assets With Full Reserves		<u>104,004</u>	<u>94,308</u>
Deferred Charges:			
Emergency Authorization	D	<u>-</u>	<u>85,880</u>
Total Deferred Charges		<u>-</u>	<u>85,880</u>
Total Operating Fund		<u>1,883,232</u>	<u>1,728,447</u>
Capital Fund:			
Cash	D-4	958,989	960,681
Fixed Capital:			
Completed	D-7	6,016,383	6,005,318
Uncompleted	D-11	<u>3,100,000</u>	<u>3,100,000</u>
Total Capital Fund		<u>10,075,372</u>	<u>10,065,999</u>
Total Operating & Capital Fund		<u>\$ 11,958,604</u>	<u>\$ 11,794,446</u>

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

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2018	2017
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	489,114	75,301
Reserve for Encumbrances	D-3	82,967	111,883
Reserve for Inspection Escrow	D	-	200
Accrued Interest Payable	D-12	21,910	17,351
Deferred Revenue - Reserve for Pump Station			
Maintenance	D	39,000	45,000
Overpayments	D-6	17,058	18,344
Subtotal		<u>650,049</u>	<u>268,079</u>
Reserve for Receivables	D	104,004	94,308
Fund Balance	D-1	<u>1,129,179</u>	<u>1,366,060</u>
Total Operating Fund		<u>1,883,232</u>	<u>1,728,447</u>
Capital Fund:			
Liabilities:			
Interfund Payable - Sewer Operating	D	-	7,036
Improvement Authorizations:			
Unfunded	D-10	501,777	501,777
Bond Anticipation Notes Payable	D-16	1,862,500	2,015,000
Capital Improvement Fund	D-13	436,641	447,706
Reserves for:			
Deferred Amortization	D-15	1,092,500	940,000
Amortization	D-14	6,016,383	6,005,318
Fund Balance	D-17	<u>165,571</u>	<u>149,162</u>
Total Capital Fund		<u>10,075,372</u>	<u>10,065,999</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,958,604</u>	<u>\$ 11,794,446</u>

Bonds and notes authorized but not issued as of December 31, 2018 and 2017 is \$145,000 and \$145,000, respectively.

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
Revenue & Other Income Realized:		
Anticipated Revenues:		
Operating Surplus Anticipated	\$ 558,092	\$ 285,045
Service Charges	2,393,171	2,396,826
Interest on Investments	44,416	8,259
Connection Fees	353,087	72,437
Miscellaneous	25,323	26,704
Other Credits to Income:		
Miscellaneous Revenue Not Anticipated	4,396	5,103
Liquidation of Interfund	7,033	-
Unexpended Balances of Appropriation Reserves to Fund Balance	76,643	147,495
 Total Income	 3,462,161	 2,941,869
 Expenditures:		
Budget Appropriations:		
Operating	2,870,330	2,555,726
Capital Improvements	-	50,000
Debt Service	197,358	194,537
Statutory Expenditures	73,262	70,199
 Total Expenditures	 3,140,950	 2,870,462
 Excess (Deficit) in Revenue	 321,211	 71,407
 Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	 -	 85,880
 Statutory Excess to Fund Balance	 321,211	 157,287
 Fund Balance January 1	 1,366,060	 1,493,818
 Total	1,687,271	1,651,105
Less: Utilized by Operating Budget	(558,092)	(285,045)
 Balance December 31	 \$ 1,129,179	 \$ 1,366,060

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

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 558,092	\$ 558,092	\$ -
Sewer Use Charges	2,400,000	2,393,171	(6,829)
Interest on Investments	8,000	44,416	36,416
Connection Fees	153,000	353,087	200,087
Miscellaneous - Sewer	22,000	25,323	3,323
Budget Total	3,141,092	3,374,089	232,997
Non Budget Totals	-	4,396	4,396
Total Revenues	<u>\$ 3,141,092</u>	<u>\$ 3,378,485</u>	<u>\$ 237,393</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous - Sewer:	
Delinquent Interest	\$ 19,323
Maintenance Income	<u>6,000</u>
Total	<u><u>\$ 25,323</u></u>

**TOWNSHIP OF ROBBINSVILLE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
Operating:						
Salaries & Wages	\$ 168,769	\$ 168,769	\$ 153,827	\$ -	\$ 14,942	\$ -
Other Expenses	2,701,561	2,701,561	2,145,700	82,967	472,894	-
Debt Service:						
Note Principal	152,500	152,500	152,500	-	-	-
Interest on Notes	45,000	45,000	44,858	-	-	142
Statutory Expenditures						
Public Employee Retirement System	60,216	60,216	60,216	-	-	-
Social Security System	12,911	12,911	11,768	-	1,143	-
Unemployment Compensation Insurance	135	135	-	-	135	-
Total Expenditures	<u>\$ 3,141,092</u>	<u>\$ 3,141,092</u>	<u>\$ 2,568,869</u>	<u>\$ 82,967</u>	<u>\$ 489,114</u>	<u>\$ 142</u>

Original Budget \$ 3,141,092

Total \$ 3,141,092

Refund of Expenditures	\$ (29,629)
Debt Service Accrual	(4,559)
Deferred Charges	85,880
Cash Disbursed	<u>2,517,177</u>
Total	<u>\$ 2,568,869</u>

**TOWNSHIP OF ROBBINSVILLE
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2018 AND 2017**

ASSETS	<u>2018</u>	<u>2017</u>
Land & Land Improvements	\$ 9,770,065	\$ 9,770,065
Buildings & Building Improvements	5,512,776	5,487,847
Equipment & Vehicles	<u>9,228,357</u>	<u>8,778,992</u>
Total	<u>\$ 24,511,198</u>	<u>\$ 24,036,904</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 24,511,198</u>	<u>\$ 24,036,904</u>

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

TOWNSHIP OF ROBBINSVILLE
LENGTH OF SERVICE AWARDS PROGRAM FUND "(LOSAP)" (UNAUDITED)
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE- REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

<u>ASSETS</u>	2018	2017
Length of Service Award Program		
Fund ("LOSAP")- Unaudited:		
Investments	\$ 139,868	\$ 135,798
Total	\$ 139,868	\$ 135,798
<u>FUND BALANCE</u>		
Length of Service Award Program		
Fund ("LOSAP")- Unaudited:		
Miscellaneous Reserves	\$ 139,868	\$ 135,798

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF ROBBINSVILLE
COUNTY OF MERCER**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

During 2007, the Township of Washington, County of Mercer, New Jersey legally changed its name to the Township of Robbinsville (hereafter referred to as the “Township”) in the November 6, 2007 election. The Township is governed by the Mayor-Council Plan A form of government under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of Council. The five (5) member Township Council exercises legislative responsibilities.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

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

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

LOSAP Fund (Unaudited) – This fund accounts for receipt and disbursement of funds for the Length of Service Award Program.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility Fund 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 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, 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 utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, 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.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their 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 assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” 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 Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

Utility Revenues – Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township’s utility operating fund.

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 Mercer and Robbinsville Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Mercer. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Robbinsville Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district January 1st to December 31st.

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

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1. Summary of Significant Accounting Policies (continued)

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 – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is 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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2018, the Township's bank balance of \$36,713,335 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 24,619,132
Uninsured and Uncollateralized	<u>12,094,203</u>
	<u>\$ 36,713,335</u>

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2018 would be as followed:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2. Deposits and Investments (continued):

<u>Investment type</u>	Carrying Value	Fair Value as of December 31, 2018 <u>Level 1</u>	Investment Maturities (in Years) <u>Less Than 1 Year</u>
Money Markets	\$ 139,868	\$ 139,868	\$ 139,868
	<u>\$ 139,868</u>	<u>\$ 139,868</u>	<u>\$ 139,868</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.938</u>	<u>\$ 2.932</u>	<u>\$ 2.905</u>
Apportionment of Tax Rate:			
Municipal	0.521	0.524	0.526
Municipal Open Space	0.065	0.065	0.050
County General	0.709	0.700	0.696
Local School	1.643	1.643	1.633

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 2,648,102,997
2017	2,495,280,819
2016	2,438,672,366

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 76,543,566	\$ 75,829,927	99.06%
2017	74,976,215	74,388,586	99.21%
2016	72,555,179	71,992,345	99.22%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2018	\$ 276,657	\$ 658,378	\$ 935,035	1.22%
2017	270,096	515,036	785,132	1.05%
2016	183,015	563,830	746,845	1.03%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2018	14
2017	15
2016	12

The last tax sale was held on July 24, 2018.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 4. Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2018, 2017, or 2016.

Note 5. Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 87,272	\$ 2,410,373	\$ 2,497,645	\$ 2,393,641	95.83%
2017	126,192	2,357,906	2,484,098	2,396,826	96.48%
2016	93,461	2,322,326	2,415,787	2,289,595	94.77%

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2018	\$ 4,421,363	\$ 3,341,000	75.56%
2017	4,762,005	3,790,000	79.59%
2016	4,353,586	3,514,030	80.72%
Utility Operating Fund:			
2018	\$ 1,129,179	\$ 540,422	47.86%
2017	1,366,060	558,092	40.85%
2016	1,493,818	285,045	19.08%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2018:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 15,312	\$ -
Animal Control Trust	-	14
Trust Other Fund	-	20,298
Capital Fund	5,000	-
	<u>\$ 20,312</u>	<u>\$ 20,312</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 145,544	\$ -
Animal Control Trust	14	-
Trust Other Fund	-	138,206
Capital Fund	-	7,352
Utility Operating Fund	7,036	-
Utility Capital Fund	-	7,036
	<u>\$ 152,594</u>	<u>\$ 152,594</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 9. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018.

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Land	\$ 9,770,065	\$ -	\$ -	\$ 9,770,065
Buildings and Improvements	5,487,847	24,929	-	5,512,776
Machinery & Equipment	8,778,992	449,365	-	9,228,357
	<u>\$ 24,036,904</u>	<u>\$ 474,294</u>	<u>\$ -</u>	<u>\$ 24,511,198</u>

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years 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.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contribution to PERS plan was \$310,823.

Components of Net Pension Liability - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$6,152,701. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.03125% which was an increase of 0.000553% from its proportion measured as of June 30, 2017.

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,443,729	\$ 1,955,213
Deferred Inflows of Resources	2,164,076	1,594,586
Net Pension Liability	6,152,701	7,150,748
Township of Robbinsville's portion of the Plan's total net pe	0.03125%	0.03072%

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$393,750. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$310,823 to the plan in 2018.

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 117,333	\$ 31,725
Changes of Assumptions	1,013,863	1,967,307
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	57,713
Changes in Proportion and Differences between Township of Robbinsville Contributions and Proportionate Share of Contributions	312,533	107,331
	\$ 1,443,729	\$ 2,164,076

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending	<u>Dec 31,</u>	<u>Amount</u>
2019		\$ (28,836)
2020		(36,250)
2021		(174,263)
2022		(385,338)
2023		<u>(95,660)</u>
		<u>\$ (720,347)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - 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's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS)

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township of Robbinsville's Proportionate Share of the Net Pension Liability	\$ 7,736,313	\$ 6,152,701	\$ 4,824,153

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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

TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contractually required contributions to PFRS plan was \$402,098.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2018 the Township's proportionate share of the PFRS net pension liability was \$5,565,452. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.04113%, which was a decrease of 0.00231% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Collective Balances at December 31, 2018 and December 31, 2017

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 961,077	\$ 1,616,155
Deferred Inflows of Resources	1,847,401	1,248,828
Net Pension Liability	5,565,452	6,705,546
Township of Robbinsville's portion of the Plan's total net pensio	0.04113%	0.04344%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2018, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$515,649. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$402,098 to the plan in 2018.

At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 56,621	\$ 23,031
Changes of Assumptions	477,719	1,426,329
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	30,448
Changes in Proportion and Differences between Township of Robbinsville Contributions and Proportionate Share of Contributions	<u>426,737</u>	<u>367,593</u>
	<u>\$ 961,077</u>	<u>\$ 1,847,401</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2019	\$	186,791
2020		(53,025)
2021		(397,487)
2022		(529,262)
2023		<u>(93,341)</u>
	<u>\$</u>	<u>(886,324)</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$755,975 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State’s proportion of the net pension liability associated with the Township 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 members, actuarially determined. The State’s proportion measured as of June 30, 2018 was 0.04113%, which was a decrease of 0.00231% from its proportion measured as of June 30, 2017, which is the same proportion as the Township’s. At December 31, 2018, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township of Robbinsville's Proportionate Share of Net Pension	\$ 5,565,452
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township of Robbinsville	<u>755,975</u>
	<u>\$ 6,321,427</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

At December 31, 2018, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2018 measurement date was \$89,544.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement 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 2012 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary’s modified MP-2014 projection scales. 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - 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

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS)

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 PFRS’s target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on 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 municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 10. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease <u>(5.51%)</u>	Current Discount Rate <u>(6.51%)</u>	1% Increase <u>(7.51%)</u>
Township of Robbinsville's Proportionate Share of the Net Pension Liability	\$ 7,448,667	\$ 5,565,452	\$ 4,001,280
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township of Robbi	<u>1,011,779</u>	<u>755,975</u>	<u>543,508</u>
	<u>\$ 8,460,446</u>	<u>\$ 6,321,427</u>	<u>\$ 4,544,788</u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

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

Robbinsville Township provides post-employment medical and prescription drug coverage to eligible retired employees and their spouses and additionally dental, and vision benefits to eligible retired firefighters and their spouses. Any municipal employee hired after January 1, 2006, is ineligible for the above mentioned benefits. Firefighters hired after July 1, 2008, are ineligible for the above mentioned benefits. Public Works employees hired after January 1, 2007, are ineligible for the above mentioned benefits. Employees referred to as 911 employees hired after January 1, 2005, are ineligible for the above mentioned benefits. The Township Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Township Plan does not issue a separate financial report.

Robbinsville Township pays 100% of the insurance cost for the retiree.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Employees and Retirees Covered – At December 31, 2017, the following employees were covered by the Township plan:

Participant Data	<u>Amount</u>
Active Employees	
Total	27
Average Age	48.5
Average Service	17.9
Retired Employees	
Retirees	36
Spouses	24
Total	60
Average Age	65.1

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2018 based on census, plan design and premium information provided by the Township. Census includes 60 retired participants (including spouses) and 27 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2018 of \$23,885,686 is measured at December 31, 2017 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of pay						
Discount Rate	Based on Muni 20 year Aa as published by Fidelity Investments 3.31% at December 31, 2017						
Inflation Rate	2.50%						
Salary Increases	3.00%						
Health Care Cost Trend	7.00% for 2016-2019 grading down to 3.5% (by 0.5% increments) in 2026.						
Per Capita Claims Costs and Premiums	Annual per capita cost for retiree and spouse at age 64 and 65. <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Age 64</td> <td style="padding-right: 20px;">\$</td> <td>16,554</td> </tr> <tr> <td style="padding-right: 20px;">Age 65</td> <td style="padding-right: 20px;">\$</td> <td>7,370</td> </tr> </table> <p style="margin-left: 40px;">Above premiums include an allowance of 15% for dependent coverage.</p> <p style="margin-left: 40px;">Per capita costs (non Medicare eligible) are adjusted to reflect expected costs changers related to age. Age factors range from .60 for under age 30 to 3.00 for 71 and up.</p>	Age 64	\$	16,554	Age 65	\$	7,370
Age 64	\$	16,554					
Age 65	\$	7,370					
Age Based Utilization							
Rates of Mortality	RP 2014 White Collar and Blue Collar (as applicable) Tables projected to 2024 with scale MP 18						
Rates of Turnover	Ultimate termination rates vary by age						
Rates of Retirement	Annual rates varying by age						
Rates of Disability	None assumed						
Spouse Assumption	Marrital status is assumed not to change prior to or after retirement						
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan						
Funding Policy	Pay as you go						
Investment Rate of Return	Not applicable						
Asset Valuation Method	Not applicable						

Discount Rate – The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2018, the discount rate utilized was 3.31%.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2018 were as follows:

Total OPEB Liability	
Balance, January 1, 2018	\$ 21,122,642
Changes for the Year:	
Service Cost	117,926
Interest Cost	810,335
Changes of Assumptions	1,973,815
Difference between Actual and Expected	473,954
Benefits Paid (implicit)	(612,986)
Net Changes	2,763,044
Balance, December 31, 2018	\$ 23,885,686

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

The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (2.31 percent) or 1-percentage pointer higher (4.31 percent) that the current discount rate:

	December 31, 2018		
	At 1% Decrease (2.31%)	At Discount Rate (3.31%)	At 1% Increase (4.31%)
	Total OPEB Liability	\$ 28,883,194.00	\$ 23,885,686.00

The following presents the total OPEB liability of the Township, as well as what the Township’s total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
	Total OPEB Liability	\$ 20,237,894.00	\$ 23,885,686.00

* See Healthcare Cost Trend Assumptions for details of rates.

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

For the year ended December 31, 2018, the Township’s OPEB expense was estimated to be \$1,619,777. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Postemployment Benefits Other Than Pensions (continued):

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 315,969
Changes of Assumptions or other inputs	<u>1,315,877</u>	<u>(373,224)</u>
Total	<u>\$ 1,315,877</u>	<u>\$ (57,255)</u>

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

2019	\$ 691,515
2020	691,515
2021	(124,408)
2022	-
Thereafter	<u>-</u>
	<u>\$ 1,258,622</u>

Other Supplementary Information

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

	Fiscal Year Ending December 31,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Service Cost	\$ 117,926	\$ 211,540	N/A
Interest Cost	810,335	740,170	
Changes of Assumptions	1,973,815	(622,040)	
Difference between Actual and Expected	473,954	-	
Benefits Paid (implicit)	<u>(612,986)</u>	<u>(469,169)</u>	
Net Change in Total OPEB Liability	2,763,044	(139,499)	
Total OPEB Liability (Beginning)	<u>21,122,642</u>	<u>21,262,141</u>	
Total OPEB Liability (Ending)	<u>\$ 23,885,686</u>	<u>\$ 21,122,642</u>	
Total Covered Employee Payroll	1,107,860	1,175,324	
Net OPEB Liability as a Percentage of Payroll	2156%	1797%	

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 11. Postemployment Benefits Other Than Pensions (continued):

Schedule of Funding Progress

Year Ended	December 31,	
	2018	2017
Total OPEB Liability	\$ 23,885,686	\$ 21,122,642
Fiduciary Net Position	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$ 23,885,686</u>	<u>\$ 21,122,642</u>
Funded Ratio	0%	0%
Covered Payroll	1,107,860	1,175,324
Net OPEB Liability as a Percentage of Covered Payroll	2156%	1797%

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2018	\$ 928,261	\$ 612,986	\$ 315,275	\$ 1,107,860	55%
2017	951,709	469,169	482,540	1,175,324	40%

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 55,048,991	\$ 57,707,728	\$ 54,529,743
Utility:			
Bonds, Notes and Loans	1,862,500	2,015,000	2,167,500
	<hr/>	<hr/>	<hr/>
Total Debt Issued	56,911,491	59,722,728	56,697,243
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	1,354,184	2,274,764	1,040,000
Utility:			
Bonds, Notes and Loans	145,000	145,000	145,000
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	1,499,184	2,419,764	1,185,000
	<hr/>	<hr/>	<hr/>
Total Gross Debt	<u>\$ 58,410,675</u>	<u>\$ 62,142,492</u>	<u>\$ 57,882,243</u>
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	40	40	40
Funded by Municipal Open Space	16,579,000	17,531,400	11,711,600
Utility:			
Self Liquidating Debt	\$ 2,007,500	\$ 2,160,000	\$ 2,312,500
	<hr/>	<hr/>	<hr/>
Total Deductions	18,586,540	19,691,440	14,024,140
	<hr/>	<hr/>	<hr/>
Total Net Debt	<u>\$ 39,824,135</u>	<u>\$ 42,451,052</u>	<u>\$ 43,858,103</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 49,179,000	\$ 49,179,000	\$ -
General Debt	56,403,175	16,579,040	39,824,135
Utility Debt	2,007,500	2,007,500	-
	\$ 107,589,675	\$ 67,765,540	\$ 39,824,135
	\$ 107,589,675	\$ 67,765,540	\$ 39,824,135

Net Debt \$39,824,135 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,611,375,473 equals 1.525%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 91,398,142
Net Debt	39,824,135
Remaining Borrowing Power	\$ 51,574,007

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 3,378,485
Deductions:		
Operating and Maintenance Costs	\$ 2,943,592	
Debt Service	<u>197,358</u>	
Total Deductions		<u>3,140,950</u>
Excess/(Deficit) in Revenue		<u>\$ 237,535</u>

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On December 3, 2008, the Township issued \$8,910,000 of General Obligation Bonds, Series 2008. The General Obligation Bonds were issued at interest rates varying from 4.00% to 4.25% and mature on December 1, 2019. These bonds were issued for the purposes of (i) permanently financing the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

On November 15, 2011, the Township issued \$9,107,000 of General Obligation Bonds, Series 2011. The General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on December 1, 2031. These bonds were issued for the purposes of (i) permanently financing the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

On May 8, 2014, the Township issued \$2,230,000 of General Obligation Refunding Bonds, Series 2014. The General Obligation Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on October 15, 2020. These bonds were issued for the purpose of refunding General Obligation Bonds, Series 2003.

On July 21, 2015, the Township issued \$10,027,000 of General Obligation Bonds, Series 2015 Taxable. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.30% and mature on July 15, 2040. These bonds were issued for the purpose of the acquisition and mitigation of certain real property located in the south side of the town center and referred to as the "Kushner Tract".

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

On July 21, 2015, the Township issued \$2,375,000 of General Obligation Bonds, Series 2015 Tax-Exempt. The General Obligation Bonds were issued at interest rates varying from 2.50% to 4.00% and mature on July 15, 2040. These bonds were issued for the purpose of the acquisition of real property more commonly described as a portion of Block 23, Lot 1 on the Tax Map of the Township.

On April 19, 2016, the Township issued \$5,690,000 of General Obligation Refunding Bonds, Series 2016. The General Obligation Refunding Bonds were issued at interest rates varying from 2.00% to 5.00% and mature on August 1, 2022. These bonds were issued for the purpose of refunding General Obligation Refunding Bonds, Series 2006.

On May 16, 2017, the Township issued \$7,790,000 of General Obligation Bonds, Series 2017 Taxable. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on May 15, 2047. These bonds were issued for the purpose of the acquisition, and remediation if necessary, of property consisting of Block 9, Lots 1, 25.01, and 55, more commonly known as “Washington Woods”.

On May 22, 2018, the Township issued \$9,295,000 of General Obligation Bonds, Series 2018. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on June 1, 2036. These bonds were issued for the purpose of refunding a portion of bond anticipation notes originally issued in the amount of \$18,424,000, dated July 26, 2017 and maturing July 26, 2018.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,795,000	\$ 1,476,722	\$ 5,271,722
2020	2,600,000	1,327,320	3,927,320
2021	2,685,000	1,229,271	3,914,271
2022	1,960,000	1,110,621	3,070,621
2023	1,865,000	1,022,421	2,887,421
2024-2028	9,770,000	4,080,255	13,850,255
2029-2033	8,692,000	2,491,254	11,183,254
2034-2038	5,650,000	1,211,502	6,861,502
2039-2043	2,462,000	410,155	2,872,155
2044-2047	1,200,000	86,813	1,286,813
	<u>\$ 40,679,000</u>	<u>\$ 14,446,334</u>	<u>\$ 55,125,334</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2018:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018 A	7/25/2018	7/24/2019	2.750%	<u>\$ 14,105,500</u>
				<u>\$ 14,105,500</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2018, the Township had \$1,354,184 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2001 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2001 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$665,000 to be repaid over a 20 year period at interest rates ranging from 4.00% to 5.50%, and a no interest Fund Loan Agreement of \$695,000 to be repaid over a 20 year period. The proceeds of the loans are to finance land acquisitions.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 87,007	\$ 7,487	\$ 94,494
2020	85,397	4,988	90,385
2021	92,087	2,612	94,699
	<u>\$ 264,491</u>	<u>\$ 15,087</u>	<u>\$ 279,578</u>

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

E. Capital Leases Payable

On February 8, 2016, the Township entered into a general capital lease purchase agreement in the amount of \$35,246 for the lease-purchase of one (1) 2016 Dodge Charger Police Vehicle. The lease obligation was issued at an interest rate of 6.150% and matures on January 8, 2019.

On February 1, 2017, the Township entered into a general capital lease purchase agreement in the amount of \$109,823 for the lease-purchase of three (3) 2017 Dodge Charger Police Vehicles. The lease obligation was issued at an interest rate of 5.150% and matures on January 1, 2020.

The future minimum lease payments for this lease is as follows:

<u>Year Ending December 31,</u>	
2019	39,418
Total Minimum Lease Payments	39,418
Less: Amount Representing Interest	(1,078)
Present Value of Minimum Lease Payments	\$ 38,340

Under regulatory basis of accounting, amortization of the leased equipment is not reported in the financial statements.

Sewer Utility Debt

A. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2018:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2018</u>
Series 2018	7/25/2018	7/24/2019	2.750%	\$ 1,862,500
				\$ 1,862,500

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12. Municipal Debt (continued)

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

B. Bonds and Notes Authorized But Not Issued

As of December 31, 2018 the Township had \$145,000 in various Utility bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2017</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2018</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 34,754,000	\$ 9,295,000	\$ 3,370,000	\$ 40,679,000	\$ 3,882,007
Bond Anticipation Notes	22,609,000	14,105,500	22,609,000	14,105,500	14,105,500
Loans	344,728	-	80,237	264,491	87,007
	<u>57,707,728</u>	<u>23,400,500</u>	<u>26,059,237</u>	<u>55,048,991</u>	<u>18,074,514</u>
Utility Capital:					
Bond Anticipation Notes	2,015,000	1,862,500	2,015,000	1,862,500	1,862,500
	<u>\$ 2,015,000</u>	<u>\$ 1,862,500</u>	<u>\$ 2,015,000</u>	<u>\$ 1,862,500</u>	<u>\$ 1,862,500</u>

Note 13. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	Balance December 31, <u>2018</u>	2019 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Appropriation - 5 Year	\$ 83,200	\$ 16,640	\$ 66,560

**TOWNSHIP OF ROBBINSVILLE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 14. 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 benefits 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 15. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$990,062 at December 31, 2018.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2018, the Township has reserved in the Other Trust Fund \$205,853 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 16. Risk Management

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

Joint Insurance Pool

The Township is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Township with the following coverage

Worker's Compensation	\$ 300,000
General Liability	300,000
Employer's Liability	300,000
Auto Liability	300,000
Property Damage	125,000,000
Property/Boiler and Machinery	125,000,000
Auto Physical Damage	125,000,000
Employee Dishonesty Liability	1,000,000

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 16. Risk Management (continued)

Contributions to the Funds are payable in four installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2018 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed 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 unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ -	\$ 12,798	\$ 9	\$ 253,728	\$ 318,500
2017	60,000	12,598	423	22,608	559,421
2016	60,000	12,731	1,340	18,992	509,008

Note 17. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2018 the Township estimates that no material liabilities will result from such audits.

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.

**TOWNSHIP OF ROBBINSVILLE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 17. Contingencies (continued)

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2018.

Note 18. Operating Leases

The Township has commitments to lease Copier Machines and a Postage Meter under operating leases varying from 4 to 29 years. Total lease payments made during the year ended December 31, 2018 amounted to \$28,258. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 3,418	\$ 3,418
2020	2,578	2,578
	<hr/>	<hr/>
	\$ 5,996	\$ 5,996
	<hr/>	<hr/>

Note 19. Length of Service Award Program (“LOSAP”) - Unaudited

The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) to ensure retention of the Township’s volunteer First Aid Squad and Fire Company members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “length of service award plan” under Section 457(e)11 of the Internal Revenue Code.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2018 and August 7, 2019, the date the financial statements were available to be issued and has noted the following:

In July of 2019, the Township issued \$8,325,000 in General Obligation Bonds with interest rates varying from 2.125% - 4.000% and maturing on July 15, 2034.

APPENDIX C
FORM OF BOND COUNSEL OPINION – THE BONDS

July __, 2020

Mayor and Township Council
Township of Robbinsville, in the
County of Mercer, New Jersey

Re: Township of Robbinsville, in the County of Mercer, New Jersey
\$_____ General Obligation Bonds, Series 2020

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$_____ General Obligation Bonds, Series 2020 (the "Bonds") by the Township of Robbinsville (the "Township") in the County of Mercer, New Jersey (the "County").

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Resolution 2020-__ adopted by the Township Council on June 25, 2020 ("Authorizing Resolution") and (iii) the bond ordinances set forth in the Authorizing Resolution (the "Bond Ordinances").

The Bonds are dated July __, 2020, and mature on July 15 in each of the years and in the respective principal amounts as set forth on the inside cover of an Official Statement dated July __, 2020 related to the Bonds, and bear interest at the respective interest rates per annum set forth in the Official Statement, payable semi-annually thereafter on July 15th and January 15th of each year, commencing January 15, 2021.

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

Proceeds of the Bonds will be used, along with other available funds of the Township in the amount of \$310,000, to: (i) refund, on a current basis, a \$7,910,000 aggregate portion of the bond anticipation notes of the Township dated July 23, 2019 and maturing July 22, 2020; and (ii) pay the costs associated with the issuance of the Bonds.

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

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

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

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

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

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

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

5. The Bonds 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 4 and 5 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

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

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

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

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

Very truly yours,

APPENDIX D
FORM OF BOND COUNSEL OPINION – THE TAX-EXEMPT NOTES

July __, 2020

Mayor and Township Council
Township of Robbinsville, in the
County of Mercer, New Jersey

Re: Township of Robbinsville, in the County of Mercer, New Jersey
\$2,375,000 Bond Anticipation Notes, Series 2020A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Robbinsville, in the County of Mercer, New Jersey (the "Township") of its \$2,375,000 Bond Anticipation Notes, Series 2020A (the "Notes"), consisting of its \$2,230,000 General Improvement Notes and \$145,000 Sewer Utility 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 July 21, 2020, mature on July 20, 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"), Bond Ordinances No. 2010-19 and 2017-26. The Notes will be issued by the Township to: (i) provide new money in the amount of \$2,375,000 to finance various capital improvements in and by the township (ii) pay the costs associated with the issuance of the Notes.

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, the Local Budget Law and the Code, such documents, including the ordinances set forth above, 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 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the 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 its 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. 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,

APPENDIX E
FORM OF BOND COUNSEL OPINION – THE TAXABLE NOTES

July __, 2020

Mayor and Township Council
Township of Robbinsville, in the
County of Mercer, New Jersey

Re: Township of Robbinsville, in the County of Mercer, New Jersey
\$855,000 Bond Anticipation Notes, Series 2020B (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Robbinsville, in the County of Mercer, New Jersey (the "Township") of its \$855,000 Bond Anticipation Notes, Series 2020B (Federally Taxable) (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 July 21, 2020, mature on July 20, 2021, bear interest at a rate of __.00% 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 No. 2019-20 of the Township (the "Ordinance"). The Notes will be issued by the Township to fund certain identified improvements to prepare land for development as affordable housing within the Township for affordable housing purposes (the "Project"). The Project was authorized by the Ordinance.

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 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. Interest on the Notes is **not** excludable from gross income of the owners thereof for federal income tax purposes under current law.

4. Interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, 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,

APPENDIX F
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Robbinsville, in the County of Mercer, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$_____,000 General Obligation Bonds, Series 2020 (the "2020 Bonds"). The 2020 Bonds are being issued pursuant to a Resolution 2020-__ duly adopted by the Township on June 25, 2020 (the "Resolution") and Bond Ordinance 2020-13 (the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the 2020 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2020 Bonds (including persons holding 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2020 Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any 2020 Bond, including Beneficial Owners of in the 2020 Bonds.

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

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2020 Bonds, and other filers on behalf of such issuers shall upload continuing disclosure information to assist underwriters in complying with the Rule and to provide the general public with access to such continuing disclosure information.

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

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

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

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

"Participating Underwriter" shall mean the original underwriter of the 2020 Bonds required to comply with the Rule in connection with the offering of the 2020 Bonds.

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

"State" shall mean the State of New Jersey.

SECTION 3. Provision of Annual Reports.

(a) The Township shall not later than two hundred ten (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent, the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2019). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Securities and Exchange Commission.

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

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

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

SECTION 5. Reporting of Significant Events.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax Exempt Bonds or other material events affecting the tax status of the 2020 Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) 2020 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2020 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;
- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

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

- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a “financial obligation” of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Township, if any such event reflects financial difficulties.

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

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

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2020 Bonds. If such termination occurs prior to the final maturity of the 2020 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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

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

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a

change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2020 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2020 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the 2020 Bonds.

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

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

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the 2020 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2020 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

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

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

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

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the 2020 Bonds and shall create no rights in any other person or entity.

Date July __, 2020

THE TOWNSHIP OF ROBBINSVILLE, IN THE
COUNTY OF MERCER, NEW JERSEY

By: _____
Deborah Bauer,
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: TOWNSHIP OF ROBBINSVILLE, IN THE
COUNTY OF MERCER, NEW JERSEY

Name of Bond Issue: \$_____,000 GENERAL OBLIGATION BONDS, SERIES 2020,

Date of Issuance: July __, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated July __, 2020. The Issuer anticipates that the Annual Report will be filed by _____.

Dated:

TOWNSHIP OF ROBBINSVILLE, IN THE
COUNTY OF MERCER, NEW JERSEY

By: _____
Authorized Officer