

OFFICIAL STATEMENT DATED APRIL 8, 2014

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the individual and corporate alternative minimum taxes. However, under the Code, such interest may be subject to certain other taxes affecting corporate holders of the Bonds. Interest on the Bonds and any gain on the sale thereof is not includable as gross income under the New Jersey Gross Income Tax Act. For a more complete discussion, see "TAX MATTERS" herein.

\$8,181,000
TOWNSHIP OF BORDENTOWN,
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2014

Consisting of:
\$4,711,000 General Obligation Bonds, 2014 Series A (General Capital) and
\$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital)
(Bank Qualified) (Callable)

Dated: Date of Delivery

Due: March 1, as shown below

The Township of Bordentown, County of Burlington, New Jersey ("Township") is offering \$8,181,000 aggregate principal amount of its General Obligation Bonds, Series 2014 ("Bonds"). The Bonds consist of: (i) \$4,711,000 General Obligation Bonds, 2014 Series A (General Capital); and (ii) \$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital). The Bonds shall be issued in fully registered book-entry only form without coupons. The principal of the Bonds shall be paid on the maturity dates thereof upon presentation and surrender of the Bonds at the principal corporate trust office of the Bank of New York Mellon, paying agent ("Paying Agent"). Interest on the Bonds is payable initially on March 1, 2015 and semiannually thereafter on March 1 and September 1 ("Interest Payment Dates") in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates as described herein (see "Description of the Bonds – Redemption Provisions" herein).

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) certain bond ordinances of the Township described herein, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on March 24, 2014; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on April 8, 2014.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the cost of various capital improvements by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

MATURITY SCHEDULE, INTEREST RATES AND YIELDS

Maturity Date	General Capital	Waterfront Capital	Total Principal	Interest Rate	Yield	Year	General Capital	Waterfront Capital	Total Principal	Interest Rate	Yield
2015	\$226,000	0	\$226,000	2.000%	0.20%	2026	\$450,000	\$85,000	\$535,000	3.000%	2.60%
2016	310,000	\$20,000	330,000	2.000	0.45	2027	450,000	95,000	545,000	3.000	2.70
2017	340,000	25,000	365,000	2.000	0.70	2028	0	100,000	100,000	3.000	3.00
2018	335,000	30,000	365,000	2.000	0.95	2029	0	110,000	110,000	3.000	3.10
2019	335,000	40,000	375,000	2.000	1.25	2030	0	115,000	115,000	3.000	3.20
2020	340,000	45,000	385,000	2.000	1.55	2031	0	125,000	125,000	3.250	3.30
2021	345,000	50,000	395,000	2.000	1.80	2032	0	140,000	140,000	3.250	3.40
2022	365,000	55,000	420,000	2.000	2.00	2033	0	150,000	150,000	3.500	3.50
2023	375,000	65,000	440,000	2.125	2.20	2034	0	160,000	160,000	3.500	3.60
2024	390,000	70,000	460,000	2.250	2.35	2035	0	175,000	175,000	4.000	3.70
2025	450,000	75,000	525,000	3.000	2.45						

\$400,000 4.00% Term Bond due March 1, 2037 – Yield 3.80%

\$735,000 4.00% Term Bond due March 1, 2040 – Yield 4.00%

\$605,000 4.00% Term Bond due March 1, 2042 – Yield 4.02%

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Saul Ewing LLP, Princeton, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township's Solicitor, William Kearns, Esquire, of Kearns, Reale & Kearns, Willingboro, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Financial Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York on or about April 17, 2014.

UBS Financial Services

TOWNSHIP OF BORDENTOWN
County of Burlington, New Jersey

Mayor and Township Committee

Stephen Benowitz	Mayor
Jim Cann	Deputy Mayor
Jill Popko	Committeeperson
Richard Carson	Committeeperson
John Moynihan	Committeeperson

Chief Financial Officer
David A. Kocian

Township Clerk
Colleen M. Eckert

Tax Collector
Maryalice Picariello

Solicitor
Kearns, Reale & Kearns
Willingboro, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Saul Ewing LLP
Princeton, New Jersey

Financial Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey

The information which is set forth herein has been provided by the Township of Bordentown, County of Burlington, New Jersey ("Township"), The Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the Township, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Township. Certain general and financial information concerning the Township is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the Township.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by references 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 obtained from the Township during normal business hours.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933 as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission or any other federal, state, municipal or other governmental entity, other than the Township will have passed upon the accuracy or adequacy of the Official Statement.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or any underwriter.

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

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

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OFFICIAL STATEMENT

RELATING TO

\$8,181,000

**TOWNSHIP OF BORDENTOWN,
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2014**

Consisting of:

**\$4,711,000 General Obligation Bonds, 2014 Series A (General Capital)
and**

**\$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital)
(Bank Qualified) (Callable)**

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the Appendices attached hereto, is to provide certain information relating to the issuance by the Township of Bordentown, County of Burlington, New Jersey ("Township") of its \$8,181,000 aggregate principal amount General Obligation Bonds, Series 2014 ("Bonds"). The Bonds consist of: (i) \$4,711,000 General Obligation Bonds, 2014 Series A (General Capital); and (ii) \$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital).

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances of the Township described below, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on March 24, 2014; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer on April 8, 2014.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the cost of various capital improvements by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

General Obligation Bonds (General Capital)

Ordinance Number	Purpose	Amount Authorized	Notes Outstanding	Bonds to be Issued
2007-33*	Various Capital Improvements	\$591,000	\$550,000	\$550,000
2012-6	Various Capital Improvements	754,205	253,500	253,500
2013-3	Acquisition of Land and Buildings	570,000	570,000	570,000
2013-8	Various Capital Improvements	1,821,905	1,821,500	1,821,500
2014-6	Various Capital Improvements	1,516,000	0	1,516,000
TOTAL		\$5,253,110	\$3,195,000	\$4,711,000

General Obligation Bonds (Waterfront Capital)

Ordinance Number	Purpose	Amount Authorized	Notes Outstanding	Bonds to be Issued
2011-22	Infrastructure Improvements in Relation to Waterfront Redevelopment Project	\$12,500,000	\$4,825,000	\$3,470,000
TOTAL		\$12,500,000	\$4,825,000	\$3,470,000

*Amended by Ordinance 2009-17

DESCRIPTION OF THE BONDS

Description

The Bonds will be issued in the aggregate principal amount of \$8,181,000, and will mature on March 1 in the principal amounts shown on the cover hereof. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the cover hereof. Interest on the Bonds will be payable semiannually commencing on March 1, 2015 and, thereafter, on March 1 and September 1 in each year until maturity or earlier redemption (each an "Interest Payment Date"). Individual purchases may be made in the principal amount of \$5,000 or any integral multiple thereof through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry- Only System" below.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Chief Financial Officer of the Township or the Township's hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the offices of the Chief Financial Officer of the Township or the Township's hereafter designated paying agent, as of the close of business on the fifteenth (15) day of the calendar month next preceding an Interest Payment Date.

Redemption Provisions

Optional Redemption

The Bonds maturing prior to March 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2025 are subject to redemption prior to maturity at the option of the Township, upon notice as set forth below, as a whole at any time or in part from time to time on or after March 1, 2024, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Bonds maturing on March 1, 2037 are subject to mandatory sinking fund redemption prior to maturity on March 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

Maturity Date (<u>March 1</u>)	Principal Amount
2036	\$190,000
2037*	210,000

* Final maturity

The Bonds maturing on March 1, 2040 are subject to mandatory sinking fund redemption prior to maturity on March 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

Maturity Date (<u>March 1</u>)	Principal Amount
2038	\$225,000
2039	245,000
2040*	265,000

* Final maturity

The Bonds maturing on March 1, 2042 are subject to mandatory sinking fund redemption prior to maturity on March 1 in the years and in the amounts shown below, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption:

Maturity Date (<u>March 1</u>)	Principal Amount
2041	290,000
2042*	315,000

* Final maturity

Notice of Redemption

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

Book-Entry-Only System

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

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from

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

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

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

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

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

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

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

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

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

THE TOWNSHIP AND THE TOWNSHIP'S DESIGNATED PAYING AGENT, IF ANY, CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE TOWNSHIP OR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY BONDS; (4) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO THE BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township or its hereafter designated paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the Township or its hereafter designated paying agent for such purpose only upon the surrender thereof to the Township or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Township or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of Bonds, the Township, or its hereafter designated paying agent, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the fifteenth (15) day, whether or not a business day, of the calendar month next preceding an Interest Payment Date.

SECURITY FOR THE BONDS

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

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

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

Local Bond Law

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

Debt Limits - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) 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. The Township, including the issuance of the Bonds, will not exceed its three and one-half percent (3.5%) debt limit.

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

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

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

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

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

Local Fiscal Affairs Law

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

Each 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 New Jersey State Board of Accountancy. 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 year ended December 31, 2012 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 year ended December 31, 2013 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 State, 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 his 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. 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 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

Miscellaneous Revenues

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

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

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

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

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of the Bonds

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 notes or bonds 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 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.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in an increase of the assessment ratio to its present level of 90.53%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could

not keep pace with rising values. The last complete revaluation of property within the Township was effective for the year 2011.

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

Tax bills are mailed annually in June or July by the Township. The taxes for the third and fourth quarters, due August 1 and November 1, respectively, are adjusted to reflect the calendar years total tax liability. The taxes for the first and second quarters, due February 1 and May 1 of the succeeding year, are based upon one-half of the previous year's tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amounts in excess of \$1,500. These interest charges are the highest permitted under State Statutes. Additionally, a six percent (6%) penalty may be charged on any delinquency in excess of \$10,000 if not paid by the end of the year. Certain delinquent taxes are annually included in a tax sale in accordance with State Statutes. Tax liens are periodically assigned to the Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

INFORMATION REGARDING THE TOWNSHIP OF BORDENTOWN

General

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

Financial Statements

Appendix "B" to this Official Statement contains compiled financial statements for the year ended December 31, 2013 and audited financial statements of the Township for the years ended December 31, 2012, and 2011. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter 9 of the United States Bankruptcy Code ("Bankruptcy Code"), 11 U.S.C. Section 901 to 946. Under Chapter

9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court ("Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Township file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal and interest on the Bonds, the holders of the Bonds would be considered creditors and would be bound by the Township's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Township, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. Section 903, specifically provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

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 LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE BONDS.

LEGAL MATTERS

The legality of the Bonds will be subject to the approving legal opinion of Saul Ewing LLP, Princeton, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Bonds and will be in substantially the form set forth in Appendix "C". Certain legal matters will be passed upon for the Township by the Township's Solicitor, William Kearns, Esquire, of Kearns, Reale & Kearns, Willingboro, New Jersey.

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

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

TAX MATTERS

Tax Exemption-Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Township subsequent to the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Township has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest including accrued original issue discount on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the Township comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so includable in gross income retroactive to the date of issuance of the Bonds. The Township has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon. See discussion of "Alternative Minimum Tax," "Branch Profits Tax," "S Corporations with Passive Investment Income," "Social Security and Railroad Retirement Benefits," "Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations," "Property or Casualty Insurance Company" and "Reportable Payments and Backup Withholding" below.

In the opinion of Bond Counsel, under the laws of the State as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Alternative Minimum Tax

The Code includes, for purposes of the corporate alternative minimum tax, a preference item consisting of, generally, seventy-five percent of the excess of a corporation's "adjusted current earnings" over its "alternative minimum taxable income" (computed without regard to this particular preference item and the alternative tax net operating loss deduction). Thus, to the extent that tax-exempt interest on bonds (including interest on the Bonds) is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the alternative minimum tax.

Branch Profits Tax

Under the Code, foreign corporations engaged in a trade or business in the United States will be subject to a "branch profits tax" equal to thirty percent (30%) of the corporation's "dividend equivalent amount" for the taxable year. The term "dividend equivalent amount" includes interest on tax-exempt obligations.

S Corporations with Passive Investment Income

Section 1375 of the Code imposes a tax on the income of certain small business corporations for which an S Corporation election is in effect, and that have "passive investment

income." For purposes of Section 1375 of the Code, the term "passive investment income" includes interest on the Bonds. This tax applies to an S Corporation for a taxable year if the S Corporation has Subchapter C earnings and profits at the close of the taxable year and has gross receipts, more than twenty-five percent (25%) of which are "passive investment income." Thus, interest on the Bonds may be subject to federal income taxation under Section 1375 of the Code if the requirements of that provision are met.

Social Security and Railroad Retirement Benefits

Under Section 86 of the Code, certain Social Security and Railroad Retirement benefits (the "benefits") may be includable in gross income. The Code provides that interest on tax-exempt obligations (including interest on the Bonds) is included in the calculation of "modified adjusted gross income" in determining whether a portion of the benefits received are to be includable in gross income of individuals.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions discussed below, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the Bonds and any other tax-exempt obligations acquired after August 7, 1986.

An exception to the complete denial to financial institutions for interest paid on funds allocable to purchase or carry tax-exempt obligations applies if such obligations are "qualified tax-exempt obligations." Under Section 265(b)(3) of the Code, an obligation is a "qualified tax-exempt obligation" if: (i) the obligation is not a "private activity bond;" (ii) the Township and all entities that must be aggregated with it pursuant to the Code ("Other Issuers") do not reasonably anticipate issuing during the calendar year tax-exempt obligations (other than private activity bonds) in excess of \$10 million (other than certain obligations not required to be taken into account under the Code); and (iii) the Township designates the tax-exempt obligations as "qualified tax-exempt obligations." For purposes of this exception, a qualified 501(c)(3) bond is not included within the definition of a "private activity bond." If the tax-exempt obligation is a "qualified tax-exempt obligation," then eighty percent (80%) of the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry such obligations will be allowed under Sections 265(b) and 291(e)(1)(B) of the Code.

The Township has represented that the Bonds are not private activity bonds. The Township has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, and has represented that neither it nor any Other Issuers has issued or expects to issue more than \$10,000,000 of "tax-exempt obligations" (other than certain obligations not required to be taken into account for purposes of that Section of the Code) in the calendar year 2014. Based on such representations, it is Bond Counsel's opinion, that banks, thrift institutions and other financial institutions which purchase the Bonds may deduct eighty percent (80%) of their interest expense on indebtedness incurred to purchase or carry the Bonds pursuant to Sections 265(b) and 291(e)(1)(B) of the Code.

Property or Casualty Insurance Company

The Code also provides that a property or casualty insurance company may also incur a reduction, by a specified portion of its tax-exempt interest income, of its deduction for losses incurred.

Reportable Payments and Backup Withholding

Under 2006 amendments to the Internal Revenue Code, payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Bondholder is an "exempt person" under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to "backup withholding" at a specified rate prescribed in the Code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder's taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The payor will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any "reportable payments" during such year and the amount of tax, if any, with respect to payments made on the Bonds.

CHANGES IN FEDERAL LAW

From time to time, there are presidential proposals, proposals by various federal committees and legislative proposals in Congress that, if enacted, could alter or amend the tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

LITIGATION

Upon delivery of the Bonds, the Township shall furnish an opinion of its solicitor, William Kearns, Jr., Esquire, of the law firm Kearns, Reale & Kearns, Willingboro, New Jersey ("Solicitor"), dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such opinions shall respectively state that 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 financial condition of the Township or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, which has not been otherwise disclosed in this Official Statement.

RATING

Standard and Poor's Ratings Service, Standard & Poor's Financial Services LLC business ("Rating Agency") has assigned its rating of "AA" to the Bonds.

Explanations of the significance of such bond ratings may be obtained from the Rating Agency at 55 Water Street, New York, New York 10041. Such ratings express only the views of the Rating Agency. There is no assurance that the ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of the ratings may have an effect on the marketability and market price of the Bonds.

FINANCIAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, served as financial advisor ("Financial Advisor") to the Township with respect to the issuance of the Bonds. This Official Statement has been prepared with the assistance of the Financial Advisor. Information set forth in the Official Statement has been obtained from the Township and other sources which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12 ("Rule"), as amended, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Township will, prior to the issuance of the Bonds, enter into an agreement substantially in the form set forth in Appendix "D" hereto.

The Township provides continuing disclosure in connection with previously issued and outstanding bonds pursuant to the Rule by providing required information electronically to the Electronic Municipal Market Access website, or such other nationally recognized municipal securities information repository, as required by the Municipal Securities Rulemaking Board.

The Township previously failed to file its annual audited financial information in a timely manner for the years ending December 31, 2009 and 2010, as required by and in accordance with Rule. The Township subsequently filed this information on June 12, 2012.

As of the date hereof, the Township is in compliance with its previous undertakings with regard to continuing disclosure for prior obligations issued.

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, 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.

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

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

LEGALITY FOR INVESTMENT

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

NO DEFAULT

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by UBS Financial Services, New York, New York ("Underwriter"). The Underwriter has purchased the Bonds in accordance with the Notice of Sale. The Bonds are being offered for sale at the yields or prices set forth on the cover page of this Official Statement.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to David A. Kocian, Chief Financial Officer, at (609) 298-2800, or to the Financial Advisor at (609) 291-0130.

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

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

This Official Statement has been duly executed and delivered by the Township.

TOWNSHIP OF BORDENTOWN, NEW JERSEY

By: /s/ DAVID A. KOCIAN
DAVID A. KOCIAN, Chief Financial Officer

Dated: April 8, 2014

APPENDIX A

General Information Concerning the Township

INFORMATION REGARDING THE TOWNSHIP

The following material presents certain economic and demographic information of the Township.

General Information

The Township of Bordentown, in the County of Burlington (the "Township"), incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The present population according to the 2010 census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

Government Structure

The Township is governed by an elected committee ("Committee") consisting of 5 members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Fire Protection and Emergency Services

The Township has two fire districts. Fire District No. 1 is located in the northern part of the Township encompassing approximately two square miles. Fire District No. 2 is centrally located and provides protection for seven and one-half square miles. Each district has one fire company, both with modern firefighting apparatus. District No. 2 also houses one ladder truck. The combined number of paid fire fighters is approximately 18 and there are approximately 20 volunteers.

District No. 2 mans a paid first aid squad with 8 full time Emergency Medical Technicians responding on a 24 hour basis. The squad also serves the City of Bordentown who provides and houses four ambulances.

Ambulance service is provided by a Township EMS ambulatory service by a full time and volunteer staff which also provides service to the Cities of Bordentown and Fieldsboro.

Hospital services for Township residents are provided by Capital Health Regional Medical Center and Saint Francis Medical Center located in Trenton, Virtua Memorial in Mount Holly, Lourdes Medical Center in Willingboro and the Robert Wood Johnson University Hospital in Hamilton. All offer excellent medical care in modern facilities. The renowned Deborah Heart and Lung Center located in Browns Mills is just twelve miles south of the Township. Additional medical facilities are available within a 30 minute drive to Philadelphia, PA and a 60 minute drive to New York City.

Library

The Township participates in the Burlington County Library System which maintains a branch library in the heart of the City of Bordentown.

Police

The Police Department consists of twenty-two members and is supported by one full-time secretary and one part-time secretary. The dispatch system is operated by the County of Burlington and is manned on a twenty-four hour basis.

The New Jersey State Police maintains a station and barracks within the Township and provides additional police services in the Township and on the major highways that traverse the Township.

Public Works

The Department of Public Works has thirteen employees and one secretary and are supervised by a Director of Public Works. The Department of Public Works cleans, repairs and maintains streets, roads and storm drains, and maintains all parks, playgrounds and public areas. The collection and disposal of garbage, trash and other solid waste is provided for by contract with a private firm.

County and State roads running through the Township are maintained by the Burlington County Road Department, New Jersey State Department of Transportation and the New Jersey Turnpike Authority.

Recreation

A full-time Education/Recreation Director supervises a year round program of recreation and leisure time activities for children and adults. In addition, a part-time professional staff is employed for special spring, summer and fall programs including an evening adult school. Indoor and outdoor facilities are provided and operated by the Community District Alliance under the auspices of the Board of Education of the Regional School District.

A 6,500 square foot Senior Community Center is utilized by various groups for socials, meetings, dances and crafts. The Bordentown Township Senior's, a group of about 300 senior citizens, meet at the center twice a month and have an active itinerary of socials, trips and programs.

Municipal Open Space

The Township has completed a multi-phased recreation enhancement program through a Municipal Open Space Tax. In 1999, the Township was successful in obtaining voter approval for a dedicated tax of \$.03 per \$100 of assessed valuation for the purpose of establishing an Open Space Trust. This funding, along with the Township's capital funding allows the Township to maintain and operate six parks and playground areas totaling 94 acres including two large multi-use community parks.

Utilities

Utilities are provided to Township residents by Verizon, Public Service Electric and Gas Company and Comcast Cable Television, all privately owned.

The Bordentown Sewerage Authority, of which the Township is a member, provides sanitary sewerage to most of the Township. A water supply and distribution system operated by the City of Bordentown as a water utility, supplies water to the developed areas of the Township and 80% of the Township as a whole. The water is pumped from deep wells and processed through a water treatment plant.

Township Employees

	<u>2013</u>	<u>2012</u>	<u>December 31,</u> <u>2011</u>	<u>2010</u>	<u>2009</u>
Permanent	54	61	64	65	67
Part-time	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>
Total	<u>65</u>	<u>72</u>	<u>75</u>	<u>76</u>	<u>77</u>

Employee Collective Bargaining Units

There are three collective bargaining units between the Township and its employees as follows:

The Bordentown Township Police Officers are covered by two contracts, one for the sergeants, and one for the patrolmen. These two contracts cover all police officers except for the chief. Membership is limited to full-time law enforcement officers. Both contracts will expire on December 31, 2016.

Public Works employees are represented by AFSCME and their contract expired December 31, 2012 and is currently in renegotiations.

Compensated Absences

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days pay, and is paid at the rate of pay upon termination or retirement. For additional information regarding compensated absences, see Appendix B: Financial Statements of the Township, Note 9 to Financial Statements.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System and the Police and Firemen's Retirement System.

Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"), Department of the State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2013, which is based upon the annual billings, received from the State, amounted to \$146,243 for PERS and \$403,765 for PFRS.

Township Population(1)

2010 Federal Census	11,367
2000 Federal Census	8,380
1990 Federal Census	7,683
1980 Federal Census	7,170
1970 Federal Census	7,303

Selected Census 2012 Data for the Township (1)

Median household income	\$83,041
Median family income	\$102,422
Per capita income	\$35,791

Township Labor Force (2)

The following table discloses annual average labor force data for the Township.

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Township					
Labor Force	5,597	5,568	5,599	5,526	5,526
Employed	5,103	5,095	5,107	5,082	5,082
Unemployed	494	474	492	444	444
Unemployment Rate	8.8%	8.5%	8.8%	8.0%	8.0%
County					
Labor Force	242,711	241,524	242,714	241,779	241,779
Employment	220,408	220,072	220,586	221,574	221,574
Unemployment	22,303	21,452	22,128	20,205	20,205
Unemployment Rate	9.2%	8.9%	9.1%	8.4%	8.4%
State					
Labor Force	4,595,500	4,556,200	4,502,400	4,536,700	4,496,700
Employment	4,159,300	4,131,800	4,076,700	4,118,400	4,251,200
Unemployment	436,200	424,400	425,700	418,300	245,500
Unemployment Rate	9.5%	9.3%	9.5%	9.2%	5.5%

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building. The Township building codes conform to standards of the New Jersey Uniform Construction Code. These codes and other Municipal Codes are codified as basis for improved administration and regulation.

In August 1990, the Township, adopted a new land development and zoning ordinance under the Municipal Land Use Law. In this way, the Township is able to promote orderly development and to protect the character and maintain the stability of residential, business and manufacturing areas and secure and protect open space and recreation areas within the Township.

(1) Source: U.S. Department of Commerce, Bureau of Census.
 (2) Source: New Jersey Department of Labor

Building Permits Issued(1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2013	662	\$341,952
2012	596	279,006
2011	581	229,092
2010	576	194,972
2009	444	172,849

GENERAL INFORMATION ON THE SCHOOL DISTRICT (2)

Overview

The Bordentown Regional School District is a Type II (Grades Pre-K through 12th) regional school district consisting of the municipalities of the City of Bordentown, the Township of Bordentown, and the Borough of Fieldsboro (the “Constituent Municipalities”). Students from the New Hanover School District attend the existing Bordentown Regional High School on a tuition basis. The district operates five school buildings: three elementary schools, junior school, one middle school and a high school. The Bordentown Regional School District is located in the County of Burlington, New Jersey.

Staff

The Superintendent of Schools is the chief administrative officer of the School District. The Board Secretary/Business Administrator oversees the Board’s business functions and reports through the Superintendent to the Board. There are approximately 454 full-time employees of the Board, of which 214 are teaching professionals. The balances are administrative, facilities, pupil transportation and support personnel.

(1) Source: Township Construction Official
(2) Source: School District officials

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHOOL ENROLLMENTS (1)**

Grade	2013	2012	October 15, 2011	2010	2009
Kindergarten: Full Day	198	184	203	185	205
1	173	207	180	201	179
2	190	174	194	178	185
3	178	195	176	176	162
4	193	164	178	151	155
5	162	176	157	158	152
6	171	154	160	148	147
7	157	156	144	145	158
8	159	149	149	158	148
9	145	144	154	139	138
10	149	149	142	134	133
11	157	145	136	131	161
12	142	135	137	164	154
Special Education	357	347	342	362	378
State Facility	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
Totals	<u>2,532</u>	<u>2,480</u>	<u>2,453</u>	<u>2,430</u>	<u>2,455</u>
 Bordentown Township Enrollment(2)	 <u>1,959</u>	 <u>1,933</u>	 <u>1,883</u>	 <u>1,861</u>	 <u>1,882</u>

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

Name of School	Date Constructed	Renovations/ Additions	Grades	Enrollment June 30, 2013	Functional Capacity
Clara Barton Elementary	1953		PreK-3	247	346
Peter Muschal Elementary	1953		PreK-3	622	517
Mac Farland Intermediate	1924		4-5	394	334
Bordentown Regional Middle School	1965		6-8	535	545
Bordentown Regional High School	2006		9-12	<u>705</u>	<u>1,102</u>
Totals				<u>2,503</u>	<u>2,844</u>

(1) Source: School District officials

(2) Bordentown Township students only total, by grade is not available

HIGHER EDUCATION FACILITIES

Burlington County College

Burlington County College ("College"), founded in October 1965, is fully accredited by the Middle State Association of Colleges and Secondary Schools, is a comprehensive, publicly supported, co-educational two-year institution developed under a program of the State Department of Higher Education. It is sponsored by the Board of Chosen Freeholders who appoint nine of the twelve Board of Trustees.

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

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

The enrollment as of Fall 2012 consisted of 10,071 students. In addition, the College serves thousands of other County residents each semester through youth programs, the Learning Institute for Elders, customized training for local businesses, theatrical productions, guest speakers, and art exhibitions.

Burlington County Institute of Technology

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

The current enrollment for the two campuses in Westampton and Medford is 2,196 students.

Burlington County Special Services School District

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

The current enrollment for the B.C.S.S.S.D. is 722 students.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2013 Assessed Valuation</u>
Bordentown Investors LLC	Commercial	\$14,701,000
Bordentown Investment Thomson Tax & Accounting	Commercial	13,900,000
HPT PSC Properties Trust	Commercial	11,000,000
Mosholu Reality LLC	Apartments	11,000,000
Rock IDI Central Crossing LLC	Warehouse	10,675,800
Bordentown VF LLC	Commercial	10,119,100
Hedding Hotels, LLC	Hotel	8,382,000
MIM Hayden Central Crossings	Warehouse	7,272,000
Bordentown Realty LLC	Apartments	6,380,000
Central Crossing Business Park, LLC	Warehouse	6,090,400

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2013(3)	\$35,558,974	\$34,571,832	97.22%	\$987,142	2.78%
2012	34,378,206	33,903,048	98.61	453,233	1.32
2011	34,191,290	33,202,342	97.11	381,484	1.12
2010	32,986,038	32,647,476	98.97	267,152	0.81
2009	31,888,051	31,485,527	98.74	337,856	1.06

DELINQUENT TAXES (2)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred To Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2013(3)	\$453,233	\$5,143	\$448,294	97.80%	\$5,399	---	\$4,683
2012	381,984	14,328	391,465	98.78	4,847	---	---
2011	267,152	956,312	278,552	22.77	---	\$944,413	499
2010	341,962	---	341,962	100.00	---	---	---
2009	315,242	12,444	323,580	98.75	---	---	4,106

(1) Source: Township Tax Assessor

(2) Source: Township Reports of Audit, unless otherwise indicated

(3) Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
2013(2)	\$8,283	\$17,284	---	---	\$25,567
2012	---	10,148	\$1,865	---	8,283
2011	---	---	---	---	---
2010	---	---	---	---	---
2009	12,893	---	---	\$12,893	---

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added By Transfer</u>	<u>Adjustment to Assessed Valuation</u>	<u>Gain/Loss on Sale</u>	<u>Sales</u>	<u>Balance Dec. 31</u>
2013(2)	\$515,200	---	---	---	---	\$515,200
2012	515,200	---	---	---	---	515,200
2011	515,200	---	---	---	---	515,200
2010	515,200	---	---	---	---	515,200
2009	412,500	\$12,893	\$89,807	---	---	515,200

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (4)

Tax Rate (5)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Total</u>	<u>County</u>	<u>Regional School</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Fire District</u>
2013	\$1,159,599,778	\$3.197	\$.414	\$1.826	\$.549	\$.030	\$.378
2012	1,170,881,460	3.099	.436	1.767	.522	.030	.344
2011	1,486,722,428	2.422	.383	1.371	.379	.030	.259
2010	1,497,835,374	2.321	.360	1.332	.355	.030	.244
2009	1,512,998,996	2.221	.366	1.282	.306	.030	.237

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Information from Annual Compiled Financial Statement

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

(4) Source: Township's Tax Collector

(5) Per \$100 of assessed valuation

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>Full Value Per Capita</u>
2013	\$1,155,995,900	90.53%	\$1,276,920,247	\$112,336 (3)
2012	1,166,198,100	89.53	1,302,578,019	114,593 (3)
2011	1,482,197,500	106.00	1,398,299,528	123,014 (3)
2010	1,493,038,000	102.06	1,462,902,214	128,697(3)
2009	1,508,605,700	103.30	1,460,412,101	145,055(4)

REAL PROPERTY CLASSIFICATION (5)

<u>Year</u>	<u>Assessed Value Land Use Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Farm</u>
2013	\$1,155,995,900	\$37,400,800	\$841,210,500	\$205,437,900	\$34,952,500	\$34,707,800	\$2,286,400
2012	1,166,198,100	48,400,900	839,651,800	205,987,000	35,082,500	34,707,800	2,368,100
2011	1,482,197,500	63,821,300	1,057,960,900	269,167,600	45,462,200	43,036,900	2,748,600
2010	1,493,038,000	64,306,800	1,055,478,400	280,438,000	45,765,900	44,299,900	2,749,000
2009	1,508,605,700	65,906,700	1,058,439,300	285,255,600	49,643,600	46,645,400	2,715,100

- (1) Source: Township's Tax Collector
(2) Per \$100 of assessed valuation
(3) Based upon the 2010 Federal Census of 11,367
(4) Based on Estimated Census 2009 of 10,068
(5) Source: Township's Tax Assessor

**TOWNSHIP OF BORDENTOWN
STATEMENT OF INDEBTEDNESS(1)**

The following table summarizes the direct debt of the Township as of December 31, 2013 in accordance with the requirements of the Local Bond Law. The gross debt comprises long-term and short-term debt issued, including General and debt of the Regional School District. Deductions from gross debt to arrive at net debt include regional school district debt, reserve for payment of debt and grant proceeds. The resulting net debt of \$21,614,750 represents 1.63% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Authorized But Not Issued	Gross Debt	Deductions			Net Debt
	<u>Bonds</u>	<u>Notes</u>			<u>School Debt</u>	<u>Reserve for Pmt. of Debt</u>	<u>Grant Proceeds</u>	
General	\$ 6,938,000	\$ 9,934,000	\$ 7,961,795	\$ 24,833,795		\$ 823,655	2,395,390	\$ 21,614,750
School - Regional	32,569,797			32,569,797	\$ 32,569,797			
	<u>\$ 39,507,797</u>	<u>\$ 9,934,000</u>	<u>\$ 7,961,795</u>	<u>\$ 57,403,592</u>	<u>\$ 32,569,797</u>	<u>\$ 823,655</u>	<u>\$ 2,395,390</u>	<u>\$ 21,614,750</u>

(1) As of December 31, 2013

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements for 2011, 2012 and 2013	\$1,325,932,598
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2011, 2012 and 2013	1.63%
2013 Net Valuation Taxable	\$1,159,599,778
2013 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$1,280,524,125
Gross Debt (2):	
As a percentage of 2013 Net Valuation Taxable	4.95%
As a percentage of 2013 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	4.48%
Net Debt (2):	
As a percentage of 2013 Net Valuation Taxable	1.86%
As a percentage of 2013 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.69%
Gross Debt Per Capita (3)	\$5,050
Net Debt Per Capita (3)	\$1,902

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Averaged (2011-13) Equalized Valuation of Real Property including Improvements (\$1,325,932,598)	\$46,407,641
Net Debt	<u>21,614,750</u>
Remaining Borrowing Capacity	<u><u>\$24,792,891</u></u>

REGIONAL SCHOOL DISTRICT BORROWING CAPACITY (1)

4% of Average (2011-13) Equalized Valuation of Real Property including Improvements (\$1,741,350,762)	\$69,654,030
Net Debt(4)	<u>42,774,000</u>
Remaining Borrowing Capacity	<u><u>\$26,880,030</u></u>

(1) As of December 31, 2013

(2) Excluding overlapping debt

(3) Based on 2010 Federal Census of 11,367

(4) Debt portion allocated to the Township \$32,569,797

**BORDENTOWN TOWNSHIP
OVERLAPPING DEBT*
AS OF DECEMBER 31, 2013**

	<u>DEBT ISSUED</u>			Net Debt Outstanding Allocated to the Issuer	Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>		
County:					
General	\$ 249,246,250	\$ 27,882,294	(1)	\$ 221,363,956	\$ 6,220,327 (2)
Bonds Issued by Other Public Bodies					
Guaranteed by the County	244,613,000	244,613,000	(3)		
Solid Waste Utility	55,018,350	55,018,350			26,089,671
	<u>\$ 548,877,600</u>	<u>\$ 327,513,644</u>		<u>\$ 221,363,956</u>	<u>\$ 6,220,327</u>
					<u>\$ 123,522,863</u>

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2013 Net Valuations on which County taxes are apportioned, which is 2.81% .

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

* Additionally, as of 11/30/13 the Bordentown Sewerage Authority has outstanding debt of \$21,632,435. In accordance with a 1986 service contract between the City of Bordentown and the Township of Bordentown in any year in which the expense of the Authority exceed the receipts, both the City and the Township are required to make up the shortage on a proportional basis.

TOWNSHIP OF BORDENTOWN
SCHEDULE OF LONG TERM DEBT SERVICE

Period Ending Dec. 31	Existing Debt (1)								Total
	BCBC Series 2004		Series 2009		BCBC Ref. Series 2013		Series 2014 - G.O. Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 268,000	\$ 10,775	\$ 230,000	\$ 129,650		\$ 144,750			\$ 783,175
2015			230,000	122,175	\$ 270,000	144,750	\$ 226,000	\$ 314,562	1,307,487
2016			230,000	114,700	275,000	136,650	330,000	223,063	1,309,413
2017			230,000	107,225	285,000	128,400	365,000	216,113	1,331,738
2018			230,000	99,750	300,000	117,000	365,000	208,813	1,320,563
2019			230,000	92,275	315,000	102,000	375,000	201,413	1,315,688
2020			230,000	84,225	330,000	86,250	385,000	193,813	1,309,288
2021			230,000	75,600	345,000	69,750	395,000	186,013	1,301,363
2022			230,000	66,400	350,000	52,500	420,000	177,863	1,296,763
2023			230,000	57,200	350,000	35,000	440,000	168,988	1,281,188
2024			230,000	48,000	350,000	17,500	460,000	159,138	1,264,638
2025			230,000	38,800			525,000	146,088	939,888
2026			240,000	29,600			535,000	130,188	934,788
2027			250,000	20,000			545,000	113,988	928,988
2028			250,000	10,000			100,000	104,313	464,313
2029							110,000	101,163	211,163
2030							115,000	97,788	212,788
2031							125,000	94,031	219,031
2032							140,000	89,725	229,725
2033							150,000	84,825	234,825
2034							160,000	79,400	239,400
2035							175,000	73,100	248,100
2036							190,000	65,800	255,800
2037							210,000	57,800	267,800
2038							225,000	49,100	274,100
2039							245,000	39,700	284,700
2040							265,000	29,500	294,500
2041							290,000	18,400	308,400
2042							315,000	6,300	321,300
	<u>\$ 268,000</u>	<u>\$ 10,775</u>	<u>\$ 3,500,000</u>	<u>\$ 1,095,600</u>	<u>\$ 3,170,000</u>	<u>\$ 1,034,550</u>	<u>\$ 8,181,000</u>	<u>\$ 3,430,981</u>	<u>\$ 20,690,906</u>

(1) As of December 31, 2013

**TOWNSHIP OF BORDENTOWN
2014 MUNICIPAL BUDGET (1)**

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 452,000.00
Miscellaneous Revenues:	
Local Revenues	873,970.00
State Aid without Offsetting Appropriations	894,032.00
Dedicated Uniform Construction Code Fees	300,000.00
Shared Service Agreements	166,130.00
Additional Revenues	410,000.00
Public and Private Programs Offset with Appropriations	129,811.12
Other Special Items of Revenues	1,244,335.00
Receipts from Delinquent Taxes	842,500.00
Amount to be Raised by Taxation for Municipal Purposes	6,292,340.75
Total Appropriated Revenues	\$ 11,605,118.87
Appropriations:	
Within CAPS:	
Operations	\$ 7,002,085.00
Deferred Charges and Statutory Expenditures	894,146.00
Excluded from CAPS:	
Other Operations	125,287.00
Shared Service Agreements	166,130.00
Additional Appropriations Offset by Revenues	367,750.00
Public and Private Programs	133,511.12
Capital Improvements	119,335.00
Debt Service	1,922,295.00
Deferred Charges	
Judgements	25.00
Reserve for Uncollected Taxes	874,554.75
Total Appropriations	\$ 11,605,118.87

**TOWNSHIP OF BORDENTOWN
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2014 - 2019 (1)**

	Estimated <u>Total Cost</u>	Future <u>Years</u>	Capital Improvement <u>Fund</u>	<u>Bonds and Notes</u>
				<u>General</u>
Police Mgt Tech/Equipment	\$ 191,300.00		\$ 9,565.00	\$ 181,735.00
Public Works - Equipment	147,100.00		7,355.00	139,745.00
Public Works - Vehicle/Equip	150,000.00		7,500.00	142,500.00
Public Works General Road	200,000.00		10,000.00	190,000.00
Municipal Complex Improv	125,000.00		6,250.00	118,750.00
Police Tech & Equipment	100,000.00		5,000.00	95,000.00
	\$ 913,400.00	\$ -	\$ 45,670.00	\$ 867,730.00

(1) As originally introduced

APPENDIX B

Compiled and Audited Financial Statements of the Township of Bordentown

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Bordentown
Bordentown, New Jersey 08505

We have compiled the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Bordentown, in the County of Burlington, New Jersey as of December 31, 2013 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements for the year ended December 31, 2013 and, accordingly do not express an opinion or any other form of assurance on them.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Accordingly, the financial statements do not represent financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended December 31, 2011 were audited by other auditors whose report dated May 16, 2012 expressed an adverse opinion under accounting principles generally accepted in the United State of America and an unqualified opinion under the Regulatory basis of accounting. The financial statements for the year ended December 31, 2012 were audited by us and in our report we expressed an adverse opinion under accounting principles generally accepted in the United State of America and unqualified opinions under the Regulatory basis of accounting. Our most recent report (December 31, 2012) was dated June 17, 2013, but we have not performed any auditing procedures since that date.

Respectfully submitted,

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

/s/ Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
February 6, 2014

TOWNSHIP OF BORDENTOWN
CURRENT FUND

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

	As of December 31,		
	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
ASSETS			
Regular Fund:			
Cash--Treasurer	\$ 2,813,210.34	\$2,104,573.29	\$ 1,567,350.33
Cash--Change Fund	550.00	550.00	550.00
Total Regular Fund	2,813,760.34	2,105,123.29	1,567,900.33
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	991,824.26	453,232.52	381,983.75
Tax Title Liens Receivable	25,566.64	8,283.38	
Property Acquired for Taxes--Assessed Valuation	515,200.00	515,200.00	515,200.00
Revenue Accounts Receivable	63,651.36	86,473.56	3,950.00
Due from Animal Control Fund		2,443.28	2,297.00
Due from Bond & Interest Account	1,693.43	29.33	29.33
Due from Builder's Trust Account	53.04		
Due from General Capital Fund	57.51		
Total Receivable & Other Assets With Full Reserves	1,598,046.24	1,065,662.07	903,460.08
Deferred Charges:			
Emergency Authorizations		3,500.00	44,400.00
Special Emergency Authorizations - Revaluation		75,000.00	150,000.00
Total Deferred Charges	-	78,500.00	194,400.00
Total	4,411,806.58	3,249,285.36	2,665,760.41
Federal and State Grant Fund:			
Federal & State Grants Receivable	186,000.50	101,400.00	22,900.89
Due from Current Fund	142,690.20	159,388.12	126,397.00
Total Federal & State Grants	328,690.70	260,788.12	149,297.89
Total Assets	\$ 4,740,497.28	\$ 3,510,073.48	\$ 2,815,058.30

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

(Continued)

TOWNSHIP OF BORDENTOWN
CURRENT FUND

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

	As of December 31,		
	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	\$ 361,762.46	\$ 336,891.21	\$ 288,280.22
Encumbrances Payable	144,022.72	118,552.19	122,873.75
Accounts Payable	311,749.98	42,015.90	9,547.00
Due to State of New Jersey:			
SBI Fingerprinting	3,252.00	3,252.00	3,252.00
Senior Citizens' and Veterans' Deductions	30,345.82	28,523.22	27,909.53
Training Fees for New Construction	9,356.00	3,744.00	5,404.00
Marriage License Fees	560.00	275.00	425.00
Prepaid Taxes	173,866.67	172,504.49	217,128.48
Tax Overpayments	16,976.48	13,713.86	17,565.22
Due County for Added and Omitted Taxes	93,513.34	14,153.38	17,569.89
Due to Bank	189.88	189.88	189.88
Reserve for:			
Key Deposit	7,954.00	7,354.00	6,354.00
EMS Billings Refund	50.00	50.00	50.00
Revenue Reimbursement	5.00	5.00	5.00
Tax Sale Premiums	85,025.00	123,525.00	37,850.00
Elevator Inspection	212.00	212.00	212.00
Codification of Ordinance	2,860.02	2,860.02	2,860.02
Master Plan Re-Examination	1,620.70	1,620.70	1,620.70
Garden State Trust Fund		3,558.00	3,558.00
FEMA Grant	113,855.76	6,269.17	24,003.59
School Resource Officer	9,000.00		
EMS Operating Surplus	0.62	0.62	0.62
Tax Appeals	132,068.44	209,000.00	
Special Emergency Note Payable		75,000.00	150,000.00
Due to:			
Federal & State Grant Fund	142,690.20	159,388.12	126,397.00
Other Trust Funds	398,983.15	350,429.65	352,406.41
Total Liabilities	2,039,920.24	1,673,087.41	1,415,462.31
Reserves for Receivables and Other Assets	1,598,046.24	1,065,662.07	903,460.08
Fund Balance	773,840.10	510,535.88	346,838.02
Total Regular Fund	4,411,806.58	3,249,285.36	2,665,760.41
State & Federal Grants:			
Unappropriated Reserves	25,203.12	24,139.03	
Encumbrances Payable	8,700.00	49,750.56	
Appropriated Reserves	294,787.58	186,898.53	149,297.89
Total State & Federal Grants	328,690.70	260,788.12	149,297.89
Total Liabilities, Reserves & Fund Balance	\$ 4,740,497.28	\$ 3,510,073.48	\$ 2,815,058.30

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN
CURRENT FUND

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

	For the Years Ended December 31,		
	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$ 400,000.00	\$302,000.00	\$ 482,000.00
Miscellaneous Revenues Anticipated	4,008,437.08	3,765,141.69	3,724,544.00
Receipts from Delinquent Taxes	448,294.22	393,330.45	278,552.00
Receipts from Current Taxes	34,442,129.90	33,903,048.07	33,202,342.00
Non-Budget Revenue	39,156.30	36,127.28	86,203.00
Other Credits to Income:			
Cancellation of Prior Year Liability			3,184.00
Cancellation of Tax Overpayments	114.85	952.85	444,829.00
Prior Year Interfunds Returned			28,996.00
Cancellation of Current Year Appropriations	372,418.30	483,588.45	318,027.00
Unexpended Balance of Appropriation Reserves	116,897.48	16,445.28	56,163.00
Liquidation of Reserves for:			
Prior Year Receivables	22,822.20		
Due from Trust - Animal Control Fund		2,297.00	
		<hr/>	
Total Income	<hr/> 39,850,270.33	38,902,931.07	<hr/> 38,624,840.00
<u>Expenditures</u>			
Budget & Emergency Appropriations:			
Apropriations--Within "CAPS":			
Operations:			
Salaries and Wages	3,606,882.00	3,421,661.00	3,239,934.00
Other Expenses	2,982,696.00	2,925,255.00	2,851,664.00
Deferred Charges and Statutory Expenditures			
Municipal--Within "CAPS"	863,440.00	900,889.00	986,817.00
Operations--Excluded from "CAPS":			
Salaries and Wages	312,328.00	279,790.00	
Other Expenses	500,392.86	355,943.00	1,017,524.00
Capital Improvements--Excluded from "CAPS"	50,000.00	32,250.00	66,500.00
Municipal Debt Service--Excluded from "CAPS"	2,139,050.00	1,991,725.00	1,631,973.00
Deferred Charges and Statutory Expenditures			
Municipal--Excluded from "CAPS"	176,445.00	164,900.00	80,000.00
Judgements & Settlements	25.00	25.00	19,800.00
County Taxes Payable	4,784,540.84	5,095,273.65	5,672,037.00
Due County for Added and Omitted	93,513.34	14,153.38	17,569.00
Regional School District Taxes	21,178,007.00	20,685,965.54	20,410,078.00
Special District Taxes Payable:			
Fire District No 1 & 2	2,141,194.00	2,010,403.33	1,921,717.00
Municipal Open Space Taxes	354,653.16	352,249.31	447,397.00
Creation of Reserve for:			
Tax Appeals Pending State Division of Tax Appeals		209,000.00	
Interfund Advances	1,774.65		
Cancellation of Federal and State Grants Receivable			2,804.00
Refund of Prior Year Revenue	274.26		8,201.00
Prior Year Senior Citizens Deduction Disallowed	1,750.00	1,250.00	
		<hr/>	
Total Expenditures	<hr/> 39,186,966.11	38,440,733.21	<hr/> 38,374,015.00

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

(Continued)

TOWNSHIP OF BORDENTOWN
CURRENT FUND
Statement of Operations and Changes in Fund Balance -- Regulatory Basis

	For the Years Ended December 31,		
	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
Excess in Revenue	\$ 663,304.22	\$ 462,197.86	\$ 250,825.00
Adjustment to Income Before Fund Balance:			
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Year		3,500.00	44,400.00
Statutory Excess to Fund Balance	663,304.22	465,697.86	295,225.00
Fund Balance Jan. 1	510,535.88	346,838.02	533,613.02
Total	1,173,840.10	812,535.88	828,838.02
Decreased by:			
Utilized as Revenue	400,000.00	302,000.00	482,000.00
Fund Balance Dec. 31	<u>\$ 773,840.10</u>	<u>\$ 510,535.88</u>	<u>\$ 346,838.02</u>

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN

TRUST FUND

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

	As of December 31,		
<u>ASSETS</u>	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
Animal Control License Fund:			
Cash--Treasurer	\$ 15,245.89	\$ 18,531.88	\$ 15,586.70
Open Space Trust Fund:			
Cash--Treasurer	47,741.06	84,666.05	86,876.07
Due from Current Fund	140,357.34	133,584.09	132,598.78
	188,098.40	218,250.14	219,474.85
Other Trust Funds:			
Cash--Treasurer	2,907,795.16	2,656,237.38	2,582,186.51
Due from Property Owners	800.00	800.00	800.00
Due from Current Fund	258,572.77	216,845.56	219,807.63
	3,167,167.93	2,873,882.94	2,802,794.14
	\$ 3,370,512.22	\$ 3,110,664.96	\$ 3,037,855.69

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

(Continued)

TOWNSHIP OF BORDENTOWN

TRUST FUND

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

	As of December 31,		
	2013(1)	2012(2)	2011(2)
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Animal Control License Fund:			
Due to Current Fund		\$ 2,443.28	\$ 2,297.00
Due to State of NJ	\$ 80.40	84.60	68.40
Reserve for Animal Control	15,165.49	16,004.00	13,221.30
	<u>15,245.89</u>	<u>18,531.88</u>	<u>15,586.70</u>
Open Space Trust Fund:			
Reserve - Municipal Open Space	188,098.40	218,250.14	219,474.85
Other Funds:			
Reserve - Builders Trust	1,771,280.38	1,526,893.31	1,476,086.01
Reserve - Off Duty Police Employment	85,797.74	65,222.08	49,160.23
Reserve - UC & TDI Fund	20,369.14	31,318.01	990.31
Reserve - Street Opening Fund	28,219.50	28,219.50	28,219.50
Reserve - Special Law Enforcement Fund	148,452.41	122,088.64	121,709.83
Reserve - Federal Forfeit Trust Fund	49,168.12	12,733.11	217.50
Reserve - First Aid Contributions	4,185.00	4,185.00	4,185.00
Reserve - Public Defender Fees	11,573.59	7,983.09	7,103.59
Reserve - POAA	882.00	810.00	758.00
Reserve - Housing Fees COAH	820,057.54	821,351.58	859,118.26
Reserve - Sign Donations	2,520.00	2,520.00	2,520.00
Reserve - READ Foundation	3,757.00	3,597.00	3,357.00
Reserve - Roadway Contribution Dunns/Rising	77,580.00	77,580.00	77,580.00
Reserve - Snow Removal	50,000.00	25,000.00	
Reserve - Community Map Sponsors	3,050.00	3,050.00	3,050.00
Reserve - Fourth of July Celebration	167.89	683.58	735.00
Reserve - Civic Events Donations		4,578.99	5,386.58
Reserve - Veteran's Day Donations	1,672.65	1,815.05	1,915.05
Reserve - Veteran's Park Donations	4,171.09	1,854.59	516.59
Reserve - Tree Planting Donations	27,940.00	40,252.00	76,950.00
Reserve - Recycling Program	873.88	588.88	550.00
Reserve - Other Misc	55,450.00	42,450.00	35,300.00
Reserve - Payroll Deductions Payable		49,108.53	47,385.69
	<u>3,167,167.93</u>	<u>2,873,882.94</u>	<u>2,802,794.14</u>
	<u>\$ 3,370,512.22</u>	<u>\$ 3,110,664.96</u>	<u>\$ 3,037,855.69</u>

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN
TRUST - OPEN SPACE
Statements of Operations and Changes in Reserve for Use - Regulatory Basis

	For the Years Ended December 31,		
	2013(1)	2012(2)	2011(2)
REVENUE REALIZED:			
Amount to be Raised by Taxation	\$ 354,653.16	\$ 352,249.31	\$ 447,397.00
Reserves Utilized	218,250.07	219,474.00	376,975.00
Miscellaneous Revenue Not Anticipated	7,440.02	57,596.95	6,538.00
Total Income	580,343.25	629,320.26	830,910.00
EXPENDITURES:			
Budget Appropriations:			
Maintenance of Lands for Recreation and Conservation:			
Salaries and Wages	61,500.00	42,903.00	55,740.00
Other Expenses			2,000.00
Payment of Bond Principal	300,000.00	308,000.00	311,800.00
Capital Improvement Fund			177,235.00
Reserve for Future Use	30,744.92	60,167.97	64,661.00
Total Budget Appropriations	392,244.92	411,070.97	611,436.00
Statutory Excess to Reserve For Future Use	188,098.33	218,249.29	219,474.00
RESERVE FOR FUTURE USE:			
Balance January 1	218,250.14	219,474.85	376,975.85
Decreased by:			
Utilized as Revenue	218,250.07	219,474.00	376,975.00
Balance December 31	\$ 188,098.40	\$ 218,250.14	\$ 219,474.85

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

<u>ASSETS</u>	As of December 31,		
	2013(1)	2012(2)	2011(2)
Cash & Investments	\$ 6,066,043.68	\$ 2,185,984.12	\$ 1,553,711.63
Deferred Charges to Future Taxation:			
Funded	6,938,000.00	8,459,000.00	9,659,000.00
Unfunded	17,895,794.50	16,422,702.97	3,140,008.97
Grants Receivable	2,595,389.50	2,961,431.97	2,791,442.97
Total Assets	<u>\$ 33,495,227.68</u>	<u>\$ 30,029,119.06</u>	<u>\$ 17,144,163.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund Fund	\$ 57.51		
Capital Improvement Fund	780.00	\$ 71,875.00	\$ 79,320.00
Improvement Authorizations:			
Funded	287,906.05	253,161.84	48,426.38
Unfunded	12,697,473.84	13,883,303.72	1,135,855.53
Capital Lease Payable		572,000.00	1,081,000.00
Bond Anticipation Notes	9,934,000.00	3,254,000.00	1,693,333.00
General Serial Bonds	6,938,000.00	7,887,000.00	8,578,000.00
Reserves for:			
Encumbrances	211,969.97	291,208.27	465,655.65
Payment of Debt Service	958,815.35	1,023,620.82	1,248,268.04
Grants Receivable	2,395,389.50	2,761,431.97	2,791,442.97
Fund Balance	70,835.46	31,517.44	22,862.00
	<u>\$ 33,495,227.68</u>	<u>\$ 30,029,119.06</u>	<u>\$ 17,144,163.57</u>

(1) Compiled - See Accountant's Compilation Report.
(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN
 Bond and Interest Account
 Statements of Assets, Liabilities and Reserves - Regulatory Basis

	As of December 31		
<u>ASSETS</u>	<u>2013(1)</u>	<u>2012(2)</u>	<u>2011(2)</u>
Cash--Treasurer	\$ 1,693.43	\$ 2,499.33	\$ 2,499.33
<u>LIABILITIES AND RESERVES</u>			
Due to Current Fund	\$ 1,693.43	\$ 29.33	\$ 29.33
Interest Payable		2,470.00	2,470.00
	\$ 1,693.43	\$ 2,499.33	\$ 2,499.33

(1) Compiled - See Accountant's Compilation Report.

(2) Audited - See Accountant's Compilation Report.

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

TOWNSHIP OF BORDENTOWN
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - The Township of Bordentown, in the County of Burlington, incorporated in 1852, is located in the center of New Jersey approximately seven miles from Trenton. The population according to the latest census is 11,367 with a land area of 10 square miles. The Township provides to its citizens the following services: public safety, sanitation, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected committee ("Committee") consisting of five members who serve three-year terms. The Mayor is chief executive officer of the Township and is annually appointed by the Committee at the beginning of each fiscal year. The functions of the Committee, as the governing body, are legislative.

Administrative responsibilities are assigned to the Township Administrator. The Committee establishes policy. The Administrator is responsible for the day-to-day operations of the Township and implementing and administering policy.

Component Units - The Township of Bordentown had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

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

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget 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, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

Fund Balance - Fund Balances included in the current fund represents amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants 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 revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, Township of Bordentown Regional School District and Township of Bordentown Fire Districts No. 1 and No. 2. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Bordentown Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the regional school district for the period from January 1 to December 31. The Township does not defer any school taxes.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. 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 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Bordentown Fire Districts No. 1 and No. 2. Operations are charged for the full amount required to be raised by taxation to support the districts for the year.

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

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

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2013, the Township's bank balances of \$11,737,643.32 were exposed to custodial credit risk as follows:

Uninsured and Collateralized with Securities	
Held by Pledging Financial Institutions	\$ 11,237,643.32
Insured	<u>500,000.00</u>
Total	<u><u>\$ 11,737,643.32</u></u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2013 the Township's deposits with the New Jersey Cash Management Fund are \$12.11.

Note 3: **PROPERTY TAXES**

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

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$3.197</u>	<u>\$2.927</u>	<u>\$2.422</u>	<u>\$2.321</u>	<u>\$2.221</u>
Apportionment of Tax Rate:					
Municipal	\$.549	\$.523	\$.379	\$.355	\$.306
Municipal Open Space	.030	.030	.030	.030	.030
County	.414	.435	.383	.360	.366
Regional School	1.826	1.767	1.371	1.332	1.282
Special District Rates:					
Fire Districts No. 1 & 2	.378	.172	.259	.244	.237

Assessed Valuation

2013	\$1,159,599,778.00
2012	1,170,881,460.00
2011	1,486,722,428.00
2010	1,497,835,374.00
2009	1,512,998,996.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013 (1)	\$35,558,973.74	\$34,571,831.73	96.86%
2012	34,378,205.97	33,903,048.07	98.61%
2011	33,598,186.00	33,202,342.00	98.82%
2010	32,986,038.00	32,647,476.00	98.97%
2009	31,888,051.00	31,485,527.00	98.74%

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>
2013 (1)	\$25,566.64	\$991,824.26	\$1,017,390.90	2.86%
2012	8,283.38	453,232.52	461,515.90	1.34%
2011		381,983.00	381,983.00	1.14%
2010		267,152.00	267,152.00	0.81%
2009		341,962.00	341,962.00	1.07%

(1) Unaudited

Note 3: **PROPERTY TAXES (CONT'D)**

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2013 (1)	4
2012	1
2011	-
2010	-
2009	-

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2013 (1)	\$515,200.00
2012	515,200.00
2011	515,200.00
2010	515,200.00
2009	515,200.00

Note 5: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2013 (1)	\$773,840.10	(2)	
2012	510,535.88	\$400,000.00	78.36%
2011	346,838.00	302,000.00	87.07%
2010	533,613.00	482,000.00	90.33%
2009	531,817.00	500,000.00	94.02%

(1) Unaudited

(2) 2014 Township budget has not been introduced as of March 19, 2014

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$1,803.98	\$541,673.35
Federal and State Grant Fund	142,690.20	
Trust-- Other Funds	258,572.77	
Trust – Municipal Open Space	140,357.34	
General Capital Fund		57.51
Bond and Interest Account	<u> </u>	<u>1,693.43</u>
	<u>\$543,424.29</u>	<u>\$543,424.29</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: **PENSION PLANS**

The Township of Bordentown contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Township employees may participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Public Employees' Retirement System - The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Contributory Insurance</u>	<u>Total Liability</u>	<u>Paid by Township</u>
2013	\$40,704.00	\$97,324.00	\$8,215.00	\$146,243.00	\$146,243.00
2012	52,717.00	105,434.00	10,076.00	168,227.00	168,227.00
2011	64,176.00	102,260.00	12,641.00	179,077.00	179,077.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Contributory Insurance</u>	<u>Total Liability</u>	<u>Paid by Township</u>
2013	\$166,892.00	\$220,859.00	\$16,014.00	\$403,765.00	\$403,765.00
2012	186,838.00	210,272.00	14,546.00	411,656.00	411,656.00
2011	228,983.00	183,607.00	17,946.00	430,536.00	430,536.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The Township had no employees participating in this plan.

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

Note 8: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Township authorized participation in the SHBP's post-retirement benefit program by resolution.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township contributions to SHBP for the years ended December 31, 2013, 2012, and 2011, were \$743,996.21, \$708,961.80, and \$690,382.00, respectively, which equaled the required contributions for each year.

Note 9: **COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township of Bordentown compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of fifty days pay, and is paid at the rate of pay upon termination or retirement.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2013, accrued benefits for compensated absences are valued at \$257,796.68.

Note 10: **DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

Note 11: **CAPITAL DEBT**

Summary of Debt

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$16,872,000.00	\$11,713,000.00	\$10,271,333.00
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	7,961,794.50	13,168,702.97	13,946,676.00
Total Issued and Authorized but Not Issued	24,833,794.50	24,881,702.97	24,218,009.00
Deductions:			
Funds Temporarily Held To Pay Notes	3,219,044.99	3,785,052.79	4,039,712.00
Net Debt	<u>\$21,614,749.51</u>	<u>\$21,096,650.18</u>	<u>\$20,178,297.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.63%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$32,569,797.08	\$32,569,797.08	
General	24,833,794.50	3,219,044.99	\$21,614,749.51
	<u>\$57,403,591.58</u>	<u>\$35,788,842.07</u>	<u>\$21,614,749.51</u>

Net Debt \$21,614,749.51 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,325,932,598.00 equals 1.63%

Note 11: **CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$46,407,640.93
Net Debt	<u>21,614,749.51</u>
Remaining Borrowing Power	<u><u>\$24,792,891.42</u></u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$498,000.00	\$281,437.50	\$779,437.50
2015	500,000.00	263,187.50	763,187.50
2016	505,000.00	247,612.50	752,612.50
2017	515,000.00	231,887.50	746,887.50
2018	530,000.00	213,012.50	743,012.50
2019-2023	2,840,000.00	699,062.50	3,539,062.50
2024-2028	1,550,000.00	139,900.00	1,689,900.00
	<u>\$6,938,000.00</u>	<u>\$2,076,100.00</u>	<u>\$9,014,100.00</u>

Note 12: **JOINT INSURANCE POOL**

The Township of Bordentown is a member of several joint insurance funds. The Township maintains the following funds and coverage:

- Statewide Excess Liability Fund – Umbrella Liability Coverage
- Statewide Workers' Compensation Fund – Workers' Compensation Coverage

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

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

Burlington County Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
Marlton, New Jersey 08053

Note 13: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$7,500.00	\$33,171.73	\$20,369.14
2012	25,000.00	None	31,318.01
2011	25,000.00	38,998.00	990.31

Note 14: **LITIGATION**

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

Note 15: **MUNICIPAL OPEN SPACE TRUST FUND**

The Township has established an open space trust fund for the purchase and maintenance of open space property. The purchase of open space property is financed through Township improvement authorizations. The debt on the improvement authorizations is then paid down through a combination of an Interlocal Service Agreement with the County of Burlington, the State of New Jersey Department of Environmental Protection Green Acres Program and a local tax levy.

The Interlocal Service Agreement with Burlington County reimburses the Township for 25% of the land cost at the certified market value at the time of purchase. The State of New Jersey Department of Environmental Protection Green Acres Program has made commitments to reimburse the Township for 50% of the land cost at the certified market value at the time of purchase however, there are no signed agreements or payment schedules. It is not known when the State will make the payments or if they will be in the full amount. If the State does not make the payments in a timely manner then the Township must raise the deficit in order to pay the debt on the improvement authorizations. The receivables for the County and State grants have been recorded in the Capital Fund.

The following properties were bought with Open Space Trust Funds:

<u>Property</u>	<u>Block</u>	<u>Lot</u>	<u>Acquisition Date</u>	<u>Acquisition Price</u>	<u>Certified Market Value</u>
Palmer Avenue	118	3.4 & 5.02	2002	\$ 70,000.00	\$ 70,000.00
Federal Estates	93	3 & 9.01	2003	3,900,000.00	3,900,000.00
Samost	90	4 & 6	2003	5,000,000.00	5,000,000.00
Luyber	92	7.01	2004	1,570,000.00	1,530,500.00
Shields*	92	8.01	2006	1,150,000.00	1,150,000.00
				<u>\$11,690,000.00</u>	<u>\$11,650,500.00</u>

* Neither the County nor the State have awarded a grant for the Shields property and no receivable has been recorded.

APPENDIX C

Form of Bond Counsel's Opinion

April 17, 2014

[PROPOSED FORM OF OPINION OF BOND COUNSEL]

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

\$8,181,000
GENERAL OBLIGATION BONDS, SERIES 2014
consisting of
\$4,711,000 General Obligation Bonds, 2014 Series A (General Capital)
and
\$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital)

TO THE PURCHASERS
OF THE ABOVE-CAPTIONED BONDS:

The Township of Bordentown, in the County of Burlington, New Jersey (the "Township"), has authorized the issuance of \$8,181,000 principal amount of General Obligation Bonds, Series 2014 (the "Bonds") consisting of \$4,711,000 General Obligation Bonds, 2014 Series A (General Capital) and \$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital). The Bonds are dated their date of issuance, and bear interest, mature and are subject to redemption at the times, in the manner and upon the terms set forth in the Bonds.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, as amended (the "Act"), various Bond Ordinances enacted by the Township Committee of the Township (the "Ordinances") and a Bond Resolution adopted by the Township Committee of the Township on March 24, 2014 (the "Resolution"). Proceeds of the Bonds will be applied to: (i) permanently finance the costs of various capital improvements by the repayment at maturity of a portion of the principal of certain bond anticipation notes heretofore issued by the Township, (ii) permanently finance the costs of various capital improvements for which obligations have been authorized but not yet issued and (iii) pay the costs related to issuance of the Bonds.

As Bond Counsel for the Township, we have examined the proceedings relating to the authorization and issuance of the Bonds, including, among other things: (a) certified

copies of the Ordinances and the Resolution; (b) proofs of publication of legal notices and supplemental debt statements relating to the enactment of the Ordinances; (c) an opinion of Kearns, Reale & Kearns, Solicitor to the Township; and (d) certificates of Township officials as to material factual matters, including a certificate of the Township pursuant to the federal income tax laws and regulations applicable to the Bonds, and as to the execution of the Bonds.

From our examination of the foregoing, we are of the opinion that:

1. The Township has the power under the Act and within all other applicable constitutional and statutory limitations to increase its indebtedness by the authorization and issuance of the Bonds;

2. The Ordinances have been duly enacted by the Township in accordance with the Act;

3. The Bonds have been duly authorized, issued and sold and are valid, binding and enforceable general obligations of the Township, except as enforcement may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the rights and remedies of creditors;

4. The Township has irrevocably pledged its full faith, credit and taxing power for the punctual payment of the principal of and interest on the Bonds and, unless paid from other sources, such principal and interest is payable from *ad valorem* taxes levied upon all taxable property within the Township without limitation as to rate or amount;

5. The interest on the Bonds and gain from the sale thereof are exempt from taxation by the State of New Jersey under the New Jersey Gross Income Tax Act as enacted and construed on the date hereof; and

6. Interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the Township comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The Township has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax.

We call to your attention that the Code, subject to limited exceptions, denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry tax-exempt obligations such as the Bonds. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations generally applies to those tax-exempt obligations acquired after August 7, 1986. In the case of “qualified tax-exempt obligations”, however, a denial of twenty percent (20%) of the deduction will apply in lieu of the denial of one hundred percent (100%). A “qualified tax-exempt obligation” is a tax-exempt obligation which is designated as such by the issuer and is not a private activity bond (as defined in the Code for this purpose). An issuer and all other entities that must be aggregated with it pursuant to the Code (“Other Issuers”) may not designate or issue more than \$10,000,000 of tax-exempt obligations during the calendar year. The Township has designated the Bonds as qualified tax-exempt obligations and has represented to us that neither it nor any Other Issuers has issued or expects to issue more than \$10,000,000 of tax-exempt obligations (other than certain other obligations not required to be taken into account under the Code) in calendar year 2014. Based on such representations, it is our opinion that banks, thrift institutions and other financial institutions which purchase the Bonds may deduct eighty percent (80%) of their interest expense on indebtedness incurred to purchase or carry the Bonds pursuant to Sections 265(b) and 291(e)(1)(B) of the Code. We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this 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 D

Form of Continuing Disclosure Agreement

**TOWNSHIP OF BORDENTOWN,
In the County of Burlington, New Jersey**

**\$8,181,000 GENERAL OBLIGATION BONDS, SERIES 2014
consisting of
\$4,711,000 General Obligation Bonds, 2014 Series A (General Capital)
and
\$3,470,000 General Obligation Bonds, 2014 Series B (Waterfront Capital)
Dated April 17, 2014**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Bordentown, in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$8,181,000 General Obligation Bonds, Series 2014 (the "Bonds"), consisting of \$4,711,000 General Obligation Bonds, Series 2014 A (General Capital) and \$3,470,000 General Obligation Bonds, Series 2014 Series B (Waterfront Capital). The Issuer covenants and agrees as follows:

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

SECTION 2. Definitions. Unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

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

"EMMA" shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org/>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor organization.

"Repository" shall mean each nationally recognized municipal securities information repository under the Rule. **As of the date hereof, the Securities and Exchange Commission has appointed the MSRB through EMMA to act as the sole Repository.** Any information filed in connection with this Disclosure Agreement shall be filed with EMMA at <http://emma.msrb.org/>, and any future Repository as may be required under the Rule.

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

"Rule" shall mean Rule 15c2-12 promulgated 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 Issuer shall, or shall cause the Dissemination Agent, not later than nine (9) months after the end of the Issuer's fiscal year, commencing with the report for the fiscal year ending December 31, 2013, to provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Prior to the date specified in subsection (a) for providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository in substantially the form attached as Exhibit A.

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

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

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

2. The financial information and operating data set forth in the Official Statement dated April 8, 2014 prepared in connection with the sale of the Bonds under the following captions: "Ten Largest Taxpayers," "Current Tax Collections," "Delinquent Taxes," "Tax Title Liens," "Net Assessed Valuations and Annual Tax Rates," "Ratio of Assessed Valuation to True Value," "Real Property Classification," "Statement of Indebtedness," and "Debt Ratios and Valuations."

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds, as applicable:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
7. modifications to rights of Bondholders, if material;
8. Bond calls (excluding mandatory sinking fund redemption), if material, or tender offers;
9. defeasances.

10. release, substitution or sale of property securing repayment of the Bonds;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Issuer shall in a timely manner not in excess of seven (7) Business Days after the occurrence of any of the Listed Events, provide notice to the Repository or, if a Dissemination Agent is appointed, 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 clauses (2), (7), (8), (10), (13), or (14) of subsection (a) of this Section 5, the Issuer 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 Issuer'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 Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the 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 Issuer.

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

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

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

(a) If the amendment or waiver relates to the provisions of 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 Bonds, or the type of business conducted;

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

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

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

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any 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 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event

of default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

Date: April 17, 2014

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

By: _____
David Kocian
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

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

Name of Bond Issue: GENERAL OBLIGATION BONDS, SERIES 2014

Date of Issuance: APRIL 17, 2014

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 April 17, 2014. The Issuer anticipates that the Annual Report will be filed by

_____.

Dated:

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

By: _____