

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 3, 2016

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Township (as defined herein), pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") interest on the Bonds (as defined herein) is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. It is also the opinion of Bond Counsel that interest on the Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. In addition, in the opinion of Bond Counsel, interest on and any gain from the sale of the Bonds is not includable as gross income under the New Jersey Gross Income Tax Act. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the Township in its Tax Certificate (as defined herein), assuming continuing compliance by the Township with certain covenants set forth in its Tax Certificate and are based on existing statutes, regulations, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

\$2,760,000
TOWNSHIP OF SPRINGFIELD,
IN THE COUNTY OF BURLINGTON, NEW JERSEY
GENERAL IMPROVEMENT BONDS
(Book-Entry-Only) (Callable) (Bank Qualified)

Dated Date: Date of Delivery

Due: March 15, as shown on the inside front cover page

The \$2,760,000 General Improvement Bonds (the "Bonds") of the Township of Springfield, in the County of Burlington, New Jersey (the "Township") will be issued in the form of one certificate for the aggregate principal amount of the Bonds of each series maturing in each year and when issued will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository. See "AUTHORIZATION AND PURPOSE" herein.

Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until maturity or earlier redemption, commencing on September 15, 2016. Principal of and interest on the Bonds will be paid to DTC by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 1 and September 1 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities. See "THE BONDS – Optional Redemption" herein.

The Bonds are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

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

The Bonds are offered when, as and if issued, and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey and certain other conditions described herein. Phoenix Advisors, LLC, Bordentown, New Jersey has served as financial advisor in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in New York, New York on or about March 23, 2016.

**ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY AT 11:00 A.M. ON
 MARCH 10, 2016. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE NOTICE
 OF SALE POSTED AT WWW. PROSPECTUSHUB.COM**

**TOWNSHIP OF SPRINGFIELD,
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

**\$2,760,000 GENERAL IMPROVEMENT BONDS
(BANK QUALIFIED)(CALLABLE)
(BOOK-ENTRY-ONLY)**

MATURITIES, INTEREST RATES, YIELDS OR PRICES AND CUSIPS*

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIPS*</u>
2017	\$100,000	%	%	851513__
2018	100,000			851513__
2019	100,000			851513__
2020	100,000			851513__
2021	100,000			851513__
2022	100,000			851513__
2023	100,000			851513__
2024	100,000			851513__
2025	190,000			851513__
2026	190,000			851513__
2027	190,000			851513__
2028	190,000			851513__
2029	200,000			851513__
2030	200,000			851513__
2031	200,000			851513__
2032	200,000			851513__
2033	200,000			851513__
2034	200,000			851513__

* "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF SPRINGFIELD,
IN THE COUNTY OF BURLINGTON,
NEW JERSEY**

MAYOR

Denis McDaniel

DEPUTY MAYOR

Anthony Marinello

TOWNSHIP COUNCIL MEMBERS

David Frank
John Hlubik
Peter Sobotka

TOWNSHIP MANAGER

J. Paul Keller

CHIEF FINANCIAL OFFICER

Dianne Kelly, CPA

TOWNSHIP ATTORNEY

Parker McCay P.A.
Mount Laurel, New Jersey

AUDITOR

Holman Frenia Allison, P.C.
Medford, New Jersey

FINANCIAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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OFFICIAL STATEMENT
Relating to the
TOWNSHIP OF SPRINGFIELD,
IN THE COUNTY OF BURLINGTON, NEW JERSEY
\$2,760,000 GENERAL IMPROVEMENT BONDS
(Book-Entry-Only) (Callable) (Bank Qualified)

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Township of Springfield (the "Township"), in the County of Burlington (the "County"), New Jersey (the "State"), in connection with the sale and the issuance of \$2,760,000 General Improvement Bonds (the "Bonds"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

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

THE BONDS

General Description

Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until maturity or earlier redemption, commencing on September 15, 2016. Principal of and interest on the Bonds will be paid to DTC by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 1 and September 1 (the "Record Dates" for the payment of interest on the Bonds). The Bonds shall be subject to redemption prior to their stated maturities as set forth herein. *See* "Optional Redemption" herein.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of each series of Bonds and in the principal amount of such maturity. The Bonds may be purchased in book-entry only form in the amount of any integral multiple of \$1,000 with a minimum purchase of \$5,000 required (or a necessary odd denomination) through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC") and its participants. So long as DTC or its nominee, CEDE & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to CEDE & Co. (or any successor or assign), as nominee for DTC.

Optional Redemption

The Bonds of this issue maturing prior to March 15, 20__ are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after March 15, 20__ are redeemable at the option of the Township in whole or in part on any date on or after March 15, 20__ at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed bond registrar. Any failure of the depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

So long as CEDE & Co., as nominee of DTC, is the registered owner of the Bonds, the Township shall send redemption notices only to CEDE & Co. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding conveyance of notices and Beneficial Owners.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

BOOK-ENTRY-ONLY SYSTEM¹

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Bonds. The Bonds will be issued as a fully-registered security registered in the name of CEDE & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 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

¹ Source: The Depository Trust Company

Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, CEDE & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and its' 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 is credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices, if applicable, shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity 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 procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the Record Date. The Omnibus Proxy assigns CEDE & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE TOWNSHIP AS PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

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

Discontinuation of Book-Entry-Only System

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

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Township is required by law to levy *ad valorem* taxes upon all the real property taxable within the Township for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended) (the "Local Bond Law"). The Bonds are authorized by the bond ordinance adopted by the Township Council referred to in the chart below and by a resolution adopted by the Township Council on February 10, 2016 entitled, "RESOLUTION PROVIDING FOR THE FORM AND OTHER DETAILS OF \$2,760,000 GENERAL IMPROVEMENT BONDS OF THE TOWNSHIP OF SPRINGFIELD, IN THE COUNTY OF BURLINGTON, NEW JERSEY AND PROVIDING FOR THEIR SALE" (the "Form and Sale Resolution").

The proceeds of the Bonds will be issued to (i) provide \$2,760,000 in new money to finance various capital improvements; and (ii) pay costs and expenses incidental to the issuance and delivery of the Bonds.

Principal Amount of Bonds	Number of Ordinance	Description of Improvement and Date of Adoption of Ordinance	Useful Life
\$2,760,000	2013-02	Various capital improvements, finally adopted 4/10/13	18.53 years

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation is \$397,810,874.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Township has not exceeded its statutory debt limit. As of December 31, 2015, the statutory net debt as a percentage of average equalized valuation was 2.05%. As noted above, the statutory limit is 3½%.

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 if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal

year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally realized in the amount so budgeted.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that 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 P.L. 2010. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

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 new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the Township was last completed in February, 2014.

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

Tax bills are mailed annually in June by the Township. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$2,425.00 of the delinquency and 18% per annum on any amount in excess of \$2,425.00. These interest rates and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. A table detailing tax title liens is included in Appendix "A" attached hereto.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease 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 County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2014 for the Township is on file with the Clerk and is available for review during business hours.

TAX MATTERS

Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") provides that interest on the Bonds is not included in gross income for federal income tax purposes if various requirements set forth in the Code are met. The Township has covenanted in its Arbitrate and Tax Certificate (the "Tax Certificate"), delivered in connection with the issuance of the Bonds, to comply with these continuing requirements and has made certain representations, certifications of fact, and statements of reasonable expectation in connection with the issuance of the Bonds to assure this exclusion. Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

In the opinion of McManimon, Scotland & Baumann, LLC ("Bond Counsel"), pursuant to Section 103(a) of Code, interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that interest on the Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. Bond Counsel's opinions described herein are given in reliance on the representations, certifications of fact, and statements of reasonable expectation made by the Township in its Tax Certificate, assume continuing compliance by the Township with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

Certain Federal Tax Consequences Relating to the Bonds

Although, pursuant to Section 103(a) of the Code, interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Bonds.

Bank Qualification

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

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

New Jersey Gross Income Tax

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

Future Events

Tax legislation, administrative action taken by tax authorities and court decisions, whether at the Federal or state level, may adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purpose, or the exclusion of interest on and any gain realized on the sale of the Bonds under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions and even proposals for change could adversely affect the market price or marketability of the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN ADVISORS REGARDING ANY CHANGES IN THE STATUTES, PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, COURT DECISIONS OR PROPOSALS FOR CHANGE ON THE TAX AND MARKET IMPLICATIONS OF OWNERSHIP OF THE BONDS.

FINANCIAL STATEMENTS

The audited financial statements of the Township for the year ended December 31, 2014 are presented in Appendix B to this Official Statement (the "Financial Statements"). The Financial Statements have been prepared by Holman Frenia Allison, P.C., Medford, New Jersey, an independent auditor, as stated in its report appearing in Appendix B to this Official Statement. See "APPENDIX B - Financial Statements of the Township of Springfield, in the County of Burlington, New Jersey".

LITIGATION

To the knowledge of the Township Attorney, Brian M. Guest, Esq., Parker McCay P.A., Mount Laurel, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

The Township, pursuant to the Form and Sale Resolution, has covenanted for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Specifically, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township will provide:

(a) On or prior to 270 days from the end of each fiscal year, beginning December 31, 2016, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the SEC to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Township consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data consisting of (1) Township and overlapping indebtedness including a schedule of outstanding debt issued by the Township; (2) the Township's most current adopted budget; (3) property valuation information; and (4) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with modified cash accounting as mandated by the State of New Jersey statutory principles in effect from time to time or with

generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law in effect from time to time;

(b) if any of the following material events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (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 security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (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;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

Notice of failure of the Township to provide required annual financial information on or before the date specified in the Form and Sale Resolution shall be sent in a timely manner to EMMA.

If all or any part of the Rule ceases to be in effect or is not in effect for any reason, then the information required to be provided under the Form and Sale Resolution, insofar as the provisions of the Rule not or no longer in effect required the provision of such information, shall not or no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is hereby authorized to enter into additional written contracts or undertakings to implement the

Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in the Form and Sale Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings specified in its undertaking, the Township shall not be liable for monetary damages. The sole remedy is hereby specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

The Township previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) its adopted budget for the fiscal years ending December 31, 2014; and (ii) annual operating data for the fiscal years ending December 31, 2013. Additionally, the Township acknowledges that it previously failed to file material event notices and late filing notices in connection with (i) its timely filings of annual financial information; and (ii) certain insurer rating changes. Such notices of material events and late filings have been filed with EMMA as of the date of this Official Statement. The Township has retained Phoenix Advisors LLC as dissemination agent for purposes of on-going secondary market disclosure compliance for all outstanding obligations of the Township.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

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

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____ (the “Underwriter”) at a price of \$_____ (consisting of the par amount of the Bonds plus an original issue premium of \$_____). 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 inside front cover page of this Official Statement.

RATING

Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“Standard & Poor’s”) has assigned a rating of “AA-” to the Bonds.

An explanation of the significance of such rating may be obtained from Standard & Poor’s at 55 Water Street, New York, New York, 10041. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by Standard & Poor’s if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by Standard & Poor’s may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

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

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm same to the purchasers of the Bonds by certificates signed by the Mayor and Chief Financial Officer.

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

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Dianne Kelly, CPA, Chief Financial Officer/Treasurer, Township of Springfield, 2159 Jacksonville-Jobstown Road, P.O. Box 119, Jobstown, New Jersey, 08041, (609) 723-2464 or the Financial Advisor, Phoenix Advisors, LLC at 4 West Park Street, Bordentown, New Jersey 08505, (609) 291-0130.

MISCELLANEOUS

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

**TOWNSHIP OF SPRINGFIELD, IN THE COUNTY
OF BURLINGTON, NEW JERSEY**

Dianne Kelly, CPA
Chief Financial Officer

Dated: March __, 2016

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
ABOUT THE TOWNSHIP OF SPRINGFIELD**

INFORMATION REGARDING THE TOWNSHIP

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

General Information

Springfield Township officially came into existence on November 6, 1688, when its boundaries were established. Springfield Township, however, was not incorporated until 1798. The Township consists of three areas: Juliustown, Jobstown and Jacksonville. Juliustown, situated in the southeast portion of the Township, was settled by John Renshaw in 1693. Juliustown was a model place for amusements and outdoor sports of all kinds in the 1980's. There were horse races, fox hunts and parties all year round.

Jobstown or Jobs-town is near the center of the Township on the line of the Old Monmouth and Mount Holly Turnpike. Jobstown was named after Job Lippincott, a tavern keeper, who was one of the early settlers. In 1835 a railroad was constructed in Jobstown. It was called the Atlantic and Delaware Railroad. In the 1870's Mr. P. Lorillard of New York, a millionaire tobacconist, came to Jobstown. He purchased a large tract of land on the north end of town and built one of the largest stock-farms in the state. It was considered to be a showcase farm during its time.

The final area within the Township is known as Jacksonville and is a small village situated in the western end of the Township. It is said that Jacksonville was named in honor of former President Andrew Jackson.

Form of Government

The Township is currently operated as a Township Council form of government, which consists of five Council members. The Council members then select a mayor. In November of 1991 the voters elected to change the form of government from a Township Committee form to a Township Council form. The Township is operated by a manager, chief financial officer, clerk and treasurer.

Public Safety

There are nine full time police officers, including one chief of police.

Public Utilities

There are no public water or sewer systems in the Township.

Geographical Location and Size

The Township retains the same boundaries as those established when it was incorporated in 1798. The Township is bound on the north by Chesterfield, Mansfield and Florence Townships. On the southern boundaries, it is bound by New Hanover, Pemberton, Eastampton, Westampton and Burlington Townships and Wrightstown Borough. The Township encompasses 29 square miles. It is vastly under populated when compared to other areas of New Jersey, particularly northern New Jersey. There are approximately 100 people residing within each square mile of the Township.

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 ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information

Employees who are eligible to participate in a pension plan are enrolled in PERS or 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.

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Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2014	1,836	1,726	110	6.0%
2013	1,848	1,715	133	7.2%
2012	1,858	1,717	141	7.6%
2011	1,777	1,642	135	7.6%
2010	1,862	1,686	176	9.5%
<u>County</u>				
2014	232,025	217,354	14,671	6.3%
2013	233,780	215,959	17,821	7.6%
2012	236,207	215,820	20,387	8.6%
2011	235,777	215,277	20,500	8.7%
2010	236,850	215,547	21,303	9.0%
<u>State</u>				
2014	4,518,715	4,218,423	300,277	6.6%
2013	4,537,800	4,166,000	371,800	8.2%
2012	4,595,500	4,159,300	436,200	9.5%
2011	4,556,200	4,131,800	424,400	9.3%
2010	4,502,400	4,076,700	425,700	9.5%

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

Income (as of 2010)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$85,417	\$76,258	\$69,811
Median Family Income	102,337	91,185	84,904
Per Capita Income	37,901	34,802	34,858

Source: US Bureau of the Census 2010

Population

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

	<u>Township</u>		<u>County</u>		<u>State</u>	
<u>Year</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2010	3,414	5.79%	448,734	5.98%	8,791,894	4.49%
2000	3,227	6.57	423,394	7.17	8,414,350	8.85
1990	3,028	12.52	395,066	8.97	7,730,188	4.96
1980	2,691	19.92	362,542	12.20	7,365,001	2.75
1970	2,244	14.72	323,132	43.93	7,168,164	18.15

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

Largest Taxpayers

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

<u>Taxpayers</u>	<u>2015 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Columbus Farmers Market	\$8,855,400	2.29%
Helis Enterprise	2,414,900	0.63%
Transcontinental Pipeline	2,251,630	0.58%
NJ Land	1,651,100	0.43%
Milo Corporation	1,600,000	0.41%
Interstate Storage & Pipeline	1,584,290	0.41%
K&P Ganesh Corporation	1,265,100	0.33%
Store & Lock Self Storage	1,112,400	0.29%
Verizon	959,580	0.25%
Taxpayer #1	<u>N/A</u>	<u>N/A</u>
Total	<u>\$21,694,400</u>	<u>5.62%</u>

Source: School District CAFR & Municipal Tax Assessor

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2015U	\$11,007,883	\$10,756,988	97.72%
2014	10,518,507	10,188,317	96.86%
2013	10,311,443	10,085,284	97.81%
2012	10,083,964	9,813,541	97.32%
2011	10,034,273	9,872,503	98.39%

U=Unaudited

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2015U	\$214,005	\$207,770	\$421,775	3.83%
2014	173,302	183,386	356,688	3.39%
2013	152,088	176,469	328,557	3.19%
2012	125,621	204,021	329,642	3.27%
2011	90,751	171,138	261,889	2.61%

U=Unaudited

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2015U	\$498,600
2014	498,600
2013	498,600
2012	498,600
2011	498,600

U=Unaudited

Source: Annual Audit Reports of the Township

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

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

<u>Year</u>	<u>Municipal</u>	<u>Municipal Open Space</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>	<u>Total Taxes</u>
2015	\$0.513	\$0.019	\$0.899	\$1.000	\$0.415	\$2.846
2014R	0.468	0.019	0.882	0.925	0.392	2.686
2013	0.416	0.018	0.769	0.778	0.353	2.334
2012	0.399	0.019	0.746	0.734	0.367	2.265
2011	0.379	0.019	0.729	0.728	0.391	2.246

R=Revaluation

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2015	\$385,266,330	\$401,110,182	96.05%	\$1,042,493	\$402,152,675
2014R	390,313,890	393,977,884	99.07	941,780	394,919,664
2013	439,374,045	398,344,556	110.30	1,059,877	399,404,433
2012	443,198,535	411,092,232	107.81	1,064,130	412,156,362
2011	444,450,135	426,494,708	104.21	1,058,600	427,553,308

R=Revaluation

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

Classification of Ratables

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2015	\$8,960,950	\$280,027,800	\$56,651,450	\$39,626,130	\$0	\$1,042,493	\$386,308,823
2014R	10,200,450	285,013,000	54,828,810	40,271,630	0	0	390,313,890
2013	8,733,800	319,406,300	66,489,215	44,627,930	116,800	0	439,374,045
2012	8,693,800	320,597,900	67,537,305	46,369,530	0	0	443,198,535
2011	8,829,800	321,062,500	67,344,505	47,213,330	0	0	444,450,135

R=Revaluation

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

Township Indebtedness as of December 31, 2015

General Purpose Debt

Serial Bonds	\$5,330,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	2,810,000
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$8,140,000

Regional School District Debt

Serial Bonds	\$2,425,390
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	<u>0</u>
Total:	\$2,425,390

Self-Liquidating Debt

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

TOTAL GROSS DEBT

\$10,565,390

Less: Statutory Deductions	
General Purpose Debt	\$0
Regional School District Debt	2,425,390
Self-Liquidating Debt	<u>0</u>
Total:	\$2,425,390

TOTAL NET DEBT

\$8,140,000

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2015)

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Regional School District	\$16,226,000	15.00%	\$2,425,390
County	303,216,431	0.87%	<u>2,633,967</u>
Net Indirect Debt			\$5,059,357
Net Direct Debt			<u>8,140,000</u>
Total Net Direct and Indirect Debt			<u>\$13,199,357</u>

Debt Limit

Average Equalized Valuation Basis (2013, 2014, 2015)	\$397,810,874
Permitted Debt Limitation (3 1/2%)	13,923,381
Less: Net Debt	<u>8,140,000</u>
Remaining Borrowing Power	<u>\$5,783,381</u>
Percentage of Net Debt to Average Equalized Valuation	2.05%
 Gross Debt Per Capita based on 2010 population of 3,414	 \$3,095
Net Debt Per Capita based on 2010 population of 3,414	\$2,384

Source: 2012 Annual Debt Statement of the Township

¹ Township percentage based on the Township's share of total equalized valuation in the County

APPENDIX B

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Springfield
County of Burlington
Jobstown, New Jersey 08041

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Springfield, County of Burlington, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Springfield, County of Burlington, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Springfield, County of Burlington, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2015, on our consideration of the Township of Springfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Springfield's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Kevin Frenia", is positioned above the printed name and title.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

Medford, New Jersey
June 22, 2015

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

The Honorable Mayor and Members
of the Township Council
Township of Springfield
County of Burlington
Jobstown, New Jersey 08041

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Springfield (herein referred to as "the Township"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 22, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Comments & Recommendations we identified one deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control

such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Comments & Recommendations as Finding No. 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comments & Recommendations section as Finding's 2014-001.

Response to Findings

The Township of Springfield's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Township of Springfield's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

Medford, New Jersey
June 22, 2015

FINANCIAL STATEMENTS

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**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Cash -Treasurer	A-4	\$ 1,357,732	\$ 1,494,152
Cash - Collector	A-5	241,007	210,730
Cash - Change Fund	A-6	200	200
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-11	-	176
Total Regular Fund		1,598,939	1,705,258
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	183,386	176,469
Tax Title Liens Receivable	A-8	173,302	152,088
Property Acquired for Taxes	A-9	498,600	498,600
Revenue Accounts Receivable	A-10	11,178	8,233
Due From Federal & State Grant Fund	A	-	47,245
Due From Trust Fund - Other	B	4,492	23,803
Due From Capital Fund	C	-	13,857
Total Receivables & Other Assets With Full Reserves		870,958	920,295
Deferred Charges:			
Special Emergency 40A:4-55	A-12	142,000	181,100
Total Deferred Charges		142,000	181,100
Total Regular Fund, Receivables & Other Assets With Full Reserves		2,611,897	2,806,653
State & Federal Grants:			
Due From General Capital Fund	C	14	14
Due From Current Fund	A	38,012	-
Grants Receivable	A-18	78,925	174,321
Total State & Federal Grants		116,951	174,335
Total Assets		\$ 2,728,848	\$ 2,980,988

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 166,154	\$ 231,286
Encumbrances Payable	A-3	54,915	116,351
Accounts Payable	A	2,580	-
Prepaid Taxes	A-5	90,267	75,236
Tax Overpayments	A-14	33,495	34,987
Due State of NJ - SC/Veteran Deductions	A-11	74	-
Reserve for Master Plan	A	508	508
Reserve for Ambulance Repair	A	1,369	1,369
Reserve for Codification of Ordinances	A	2,404	2,404
Due Municipal Open Space	B	740	674
Due Tax Title Lien & Premium Trust	B	2,944	-
Due County for Added Taxes	A-15	1,369	4,998
Due State of NJ - Marriage Licenses		-	125
Due Federal & State Grant Fund	A	38,012	-
Due General Capital Fund	C	2,663	-
Reserve for Hurricane Irene	A	17,038	17,038
Reserve for Revaluation	A	1,234	15,007
Reserve for State Tax Appeals	A	18,956	18,956
Reserve for Purchase of Brick Pavers	A	350	710
Reserve for Repair of Petticoat Bridge	A	1,850	1,850
Reserve for Municipal Alliance	A	5,384	5,384
Local School Taxes Payable	A-16	215,614	331,788
Regional School Taxes Payable	A-17	312,109	409,604
Due Interlocal Agreement - Wrightstown	A	949	949
Total Liabilities		970,978	1,269,224
Reserve for Receivables & Other Assets	A	870,958	920,295
Fund Balance	A-1	769,961	617,134
Total Regular Funds		2,611,897	2,806,653
Federal & State Grants:			
Due Current Fund	A	-	47,245
Appropriated Reserves	A-19	116,084	127,090
Encumbrances Payable	A-19	867	-
Total State & Federal Grants		116,951	174,335
Total Liabilities, Reserves & Fund Balance		\$ 2,728,848	\$ 2,980,988

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF SPRINGFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	REFERENCE	2014	2013
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 430,970	\$ 350,000
Miscellaneous Revenue Anticipated	A-2	1,008,988	1,013,173
Receipts From Delinquent Taxes	A-2	168,400	193,417
Receipts From Current Taxes	A-7	10,188,317	10,085,284
Nonbudget Revenue	A-2	68,614	116,102
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	207,960	166,850
Prior Year Interfunds Returned	A-1	61,112	-
Total Revenue & Other Income Realized		12,134,361	11,924,826
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	902,785	872,175
Other Expenses	A-3	1,392,434	1,429,206
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	227,600	246,046
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	83,700	79,600
Other Expenses	A-3	153,864	168,101
Capital Improvements Excluded From "CAPS"	A-3	-	-
Municipal Debt Service Excluded From "CAPS"	A-3	410,394	422,621
Deferred Charges - Municipal - Excluded From "CAPS"	A-3	39,100	7,200
County Taxes	A-15	1,529,575	1,550,087
Due County for Added Taxes	A-15	1,369	4,998
Local District School Tax	A-16	3,300,249	3,307,597
Regional School District Tax	A-17	3,422,359	3,355,510
Municipal Open Space Tax	A-7	74,410	83,874
Adjustment to Tax System	A-8	6,158	-
Interfund Created	A-1	6,567	53,726
Total Expenditures		11,550,564	11,580,741
Excess in Revenue		583,797	344,085
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A	-	159,500
Fund Balance January 1	A	617,134	463,549
Total		1,200,931	967,134
Decreased by: Utilized as Revenue	A-2	430,970	350,000
Balance December 31	A	\$ 769,961	\$ 617,134

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 430,970	\$ -	\$ 430,970	\$ -
Miscellaneous Revenue:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	3,800	-	3,866	66
Other	900	-	2,254	1,354
Fees & Permits:				
Construction Code Office	85,000	-	81,497	(3,503)
Fines & Costs:				
Municipal Court	140,000	-	124,428	(15,572)
Interest & Cost on Taxes	40,000	-	33,360	(6,640)
Interest on Investments	5,000	-	7,540	2,540
Lease of Ground	185,000	-	209,377	24,377
Open Space Trust	39,997	-	39,997	-
State Aid Without Offsetting Appropriations:				
Energy Receipts Taxes	426,607	-	426,607	-
PILOT	43,874	-	43,798	(76)
Special Items Offset with Appropriations:				
Body Armor Replacement	-	1,259	1,259	-
Clean Communities Program	-	10,005	10,005	-
Safe & Secure Communities	25,000	-	25,000	-
Total	995,178	11,264	1,008,988	2,546
Receipts from Delinquent Taxes	185,000	-	168,400	(16,600)
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,832,450	-	1,753,990	(78,460)
Budget Totals	3,443,598	11,264	3,362,348	(92,514)
Nonbudget Revenues	-	-	68,614	68,614
Total	\$ 3,443,598	\$ 11,264	\$ 3,430,962	\$ (23,900)

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2014**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 10,188,317
Allocated to School, County, Municipal Open Space & Special Districts	<u>8,677,962</u>
Balance for Support of Municipal Budget Appropriations	1,510,355
Increased by Appropriation for Uncollected Taxes	<u>243,635</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 1,753,990</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collection	\$ 162,242
Tax Title Liens	<u>6,158</u>
Total	<u><u>\$ 168,400</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Treasurer:	
Board of Health Licenses	\$ 3,730
Police Reports	1,049
Planning & Zoning	4,350
Clerk - Miscellaneous	295
Police Extra Duty-Administrative Fee	5,322
Comcast Franchise Fee	4,785
Towing	1,800
Senior Citizen & Veteran Admin Fee	845
Miscellaneous	<u>46,438</u>
Total Nonbudget Revenue	<u><u>\$ 68,614</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
General Government:					
Administrative Executive:					
Other Expenses	\$ 30,250	\$ 30,250	\$ 19,472	\$ 10,778	\$ -
Council/Manager:					
Salaries and Wages	31,095	31,095	30,500	595	-
Other Expenses	14,705	14,705	11,780	2,925	-
Elections (Municipal Clerk):					
Salaries and Wages	51,300	50,300	49,743	557	-
Other Expenses	9,250	8,900	6,062	2,838	-
Financial Administration:					
Salaries and Wages	37,890	37,890	37,885	5	-
Annual Audit	18,200	18,200	17,800	400	-
Other Expenses	9,500	9,500	8,786	714	-
Collection of Taxes:					
Salaries and Wages	21,650	18,650	18,318	332	-
Other Expenses	5,335	7,335	7,168	167	-
Assessment of Taxes:					
Salaries and Wages	15,000	15,000	15,000	-	-
Other Expenses	3,924	3,924	2,942	982	-
Legal Services and Costs:					
Other Expenses	44,000	56,000	50,470	5,530	-
Engineering Services & Costs:					
Other Expenses	5,000	6,000	1,351	4,649	-
Municipal Land Use Law (N.J.S. 40:55D-1):					
Planning Board:					
Salaries and Wages	10,100	11,750	11,060	690	-
Other Expenses	18,200	7,200	6,242	958	-
Zoning Board of Adjustment:					
Salaries and Wages	17,100	16,400	15,643	757	-
Other Expenses	10,650	10,650	3,625	7,025	-
Uniform Construction Code Enforcement Functions:					
Construction Official:					
Salaries and Wages	57,000	59,000	58,686	314	-
Other Expenses	3,420	3,420	1,748	1,672	-
Insurance:					
Unemployment Insurance	5,500	5,500	4,828	672	-
Other Insurance Premiums	35,000	31,500	31,429	71	-
Workers Compensation Insurance	63,000	63,000	62,693	307	-
Group Insurance	314,000	337,000	306,922	30,078	-
Health Benefit Waiver	100	2,950	2,917	33	-

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS - Within "CAPS"					
Public Safety:					
Police:					
Salaries and Wages	647,500	657,500	655,549	1,951	-
Other Expenses	54,900	51,900	49,212	2,688	-
Vehicle Lease & Equipment	26,000	26,000	24,748	1,252	-
Vehicle Maintenance	18,000	18,000	17,336	664	-
Office of Emergency Management:					
Salaries and Wages	5,200	5,200	5,125	75	-
Other Expenses	5,000	5,000	3,753	1,247	-
Aid to Volunteer Ambulance Companies:					
Springfield Township	25,000	25,000	25,000	-	-
Juliustown	25,000	25,000	25,000	-	-
Jacksonville	25,000	25,000	25,000	-	-
First Aid Organization Contributions	33,000	33,000	28,000	5,000	-
Ambulance Services	25,000	5,000	-	5,000	-
Streets & Roads:					
Road Repairs & Maintenance:					
Snow Removal	80,000	80,000	72,672	7,328	-
Other Expenses	111,000	108,350	83,743	24,607	-
Recycling:					
Other Expenses	6,200	6,200	5,724	476	-
Public Works Functions:					
Sanitation:					
Garbage & Trash Removal - Contractual	84,000	84,600	84,500	100	-
Disposal Costs	108,000	108,000	91,259	16,741	-
Building & Grounds:					
Other Expenses	25,500	25,500	24,558	942	-
Health & Human Services:					
Board of Health:					
Other Expenses	200	200	-	200	-
Animal Control	2,500	-	-	-	-
Parks & Recreation Functions:					
Parks & Playgrounds:					
Other Expenses - Maintenance	24,000	28,500	27,031	1,469	-
Other Expenses - Sports Programs	5,000	500	432	68	-
Utility Expenses & Bulk Purchases:					
Electricity	15,000	15,000	12,772	2,228	-
Street Lighting	57,000	57,000	51,698	5,302	-
Telephone	6,000	6,000	4,922	1,078	-
Telecommunications	1,400	1,500	1,408	92	-
Natural Gas	2,000	2,000	1,186	814	-
Gasoline	45,000	37,000	35,784	1,216	-

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"					
Unclassified:					
County Share of PILOT:	2,150	2,150	-	2,150	-
Total Operations Including Contingent Within "CAPS"	2,295,719	2,295,219	2,139,482	155,737	-
Detail:					
Salaries and Wages	893,835	902,785	897,509	5,276	-
Other Expenses	1,401,884	1,392,434	1,241,973	150,461	-
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":					
Statutory Expenditures:					
Public Employees Retirement	30,000	30,000	29,278	722	-
Social Security System (O.A.S.I.)	75,000	75,000	66,293	8,707	-
Police & Firemen's Retirement	122,000	122,000	121,205	795	-
Defined Contribution Plan	100	600	407	193	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	227,100	227,600	217,183	10,417	-
Total General Appropriations for Municipal Purposes Within "CAPS"	2,522,819	2,522,819	2,356,665	166,154	-
OPERATIONS EXCLUDED FROM "CAPS":					
Interlocal Service Agreement:					
Municipal Court- Mansfield Township:					
Other Expenses	115,000	115,000	115,000	-	-
Public & Private Programs Offset by Revenues:					
Safe & Secure Communities Township:					
Salaries and Wages	58,700	58,700	58,700	-	-
Other Expenses	27,600	27,600	27,600	-	-
Safe & Secure Communities State:					
Salaries and Wages	25,000	25,000	25,000	-	-
Clean Communities Grant	-	10,005	10,005	-	-
Body Armor Replacement	-	1,259	1,259	-	-
Total Operations Excluded from "CAPS"	226,300	237,564	237,564	-	-
Detail:					
Salaries and Wages	83,700	83,700	83,700	-	-
Other Expenses	142,600	153,864	153,864	-	-

**TOWNSHIP OF SPRINGFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
OPERATIONS					
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	275,000	275,000	275,000	-	-
Payment of Notes	799	799	799	-	-
Interest on Bonds	126,570	126,570	126,570	-	-
Interest on Notes	9,375	9,375	8,025	-	1,350
Total Capital Improvements & Municipal Debt Service Excluded from "CAPS"	411,744	411,744	410,394	-	1,350
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorizations - 5 Years	39,100	39,100	39,100	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS":	39,100	39,100	39,100	-	-
Total General Appropriations Excluded from "CAPS"	677,144	688,408	687,058	-	1,350
Subtotal General Appropriations	3,199,963	3,211,227	3,043,723	166,154	1,350
Reserve For Uncollected Taxes	243,635	243,635	243,635	-	-
Total General Appropriations	<u>\$ 3,443,598</u>	<u>\$ 3,454,862</u>	<u>\$ 3,287,358</u>	<u>\$ 166,154</u>	<u>\$ 1,350</u>

Original Appropriations	\$ 3,443,598
Added per N.J.S.A. 40A:4-87	<u>11,264</u>
Total	<u><u>\$ 3,454,862</u></u>

Deferred Charges to Future Taxation - Excluded from "CAPS"	\$ 39,100
Reserve for Uncollected Taxes	243,635
Reserve for State Grants Appropriated	122,564
Refunds	(43,472)
Encumbrances Payable	54,915
Due General Capital Fund	799
Disbursed	<u>2,869,817</u>
Total	<u><u>\$ 3,287,358</u></u>

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

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**TOWNSHIP OF SPRINGFIELD
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Dog License Fund:			
Cash - Treasurer	B-1	\$ 5,170	\$ 3,691
Total Dog License Fund		5,170	3,691
Other Funds:			
Cash	B-1	1,271,517	1,209,101
Mortgages Receivable	Note 11	42,000	42,000
Due from Current Fund	A	3,684	674
Total Other Funds		1,317,201	1,251,775
Total Assets		\$ 1,322,371	\$ 1,255,466
LIABILITIES & RESERVES			
Dog License Fund:			
Reserve for Dog Expenditures	B-2	\$ 5,170	\$ 3,688
Due to State of New Jersey	B-3	-	3
Total Dog License Fund		5,170	3,691
Other Funds:			
Due Current Fund	A	4,492	23,803
Reserve For:			
Mortgages Receivable	Note 11	42,000	42,000
Escrow Funds	B-5	131,224	111,079
Recreation	B-6	17,064	16,767
Tax Sale Certificates	B-7	-	14,898
Tax Sale Premiums	B-8	91,600	24,300
Municipal Open Space, Recreation & Farmland Preservation	B-9	704,896	656,151
Law Enforcement Trust	B-10	5,097	5,087
Police Extra Duty	B-11	5,721	3,326
Payroll Taxes Payable	B-4	1,471	24,106
COAH Fees	B-12	313,636	330,258
Total Other Funds		1,317,201	1,251,775
Total Liabilities & Reserves		\$ 1,322,371	\$ 1,255,466

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

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**TOWNSHIP OF SPRINGFIELD
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash - Treasurer	C-2	\$ 1,123,344	\$ 1,160,088
DOT Grant Receivable	C-11	24,099	24,099
Deferred Charges to Future Taxation:			
Funded	C-5	5,668,000	3,355,000
Unfunded	C-4	2,810,000	5,398,799
Due from Current Fund	A	2,663	-
Total Assets		<u>\$ 9,628,106</u>	<u>\$ 9,937,986</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-9	\$ 5,668,000	\$ 3,355,000
Bond Anticipation Notes	C-10	-	1,500,000
Improvement Authorizations:			
Unfunded	C-8	2,806,896	4,869,713
Funded	C-8	719,706	191,438
Encumbrances Payable	C	419,201	-
Due To Current Fund	A	-	13,857
Due to Federal & State Grants	A	14	14
Contracts Payable	C	5,849	5,849
Reserve for:			
Repayment of Debt	C-7	-	28
Capital Improvement Fund	C-6	161	161
Fund Balance	C-1	8,279	1,926
Total Liabilities, Reserves & Fund Balance		<u>\$ 9,628,106</u>	<u>\$ 9,937,986</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$2,810,000 and on December 31, 2013 was \$3,898,799.

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

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**TOWNSHIP OF SPRINGFIELD
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Land & Land Improvements	\$ 3,981,400	\$ 3,881,569
Building & Building Improvements	1,247,650	1,247,650
Vehicles	1,224,513	1,224,513
Machinery & Equipment	<u>330,225</u>	<u>315,479</u>
Total	<u><u>\$ 6,783,788</u></u>	<u><u>\$ 6,669,211</u></u>
FUND BALANCE		
Investment in Fixed Assets	<u><u>\$ 6,783,788</u></u>	<u><u>\$ 6,669,211</u></u>

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

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**TOWNSHIP OF SPRINGFIELD
COUNTY OF BURLINGTON**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies

The Township of Springfield was incorporated in 1798 under the laws of the State of New Jersey and is located in northern Burlington County, New Jersey. The financial statements of the reporting entity include those of the Township of Springfield only and no other component units.

The Township of Springfield operates under the Council-Manager form of government. The Manager is the chief executive officer of the Township. The Council is the legislative body of the Township and consists of five members elected by popular vote to a four-year term. The terms are staggered.

Except as noted below, the financial statements of the Township of Springfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Springfield, as required by *N.J.S.A.40A:5-5*.

Component Units - The Township of Springfield 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 Springfield 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 Springfield 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.

Budgets and Budgetary Accounting - The Township of Springfield must adopt an annual budget for its current, water and sewer utility, 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

TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

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 Springfield 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.

TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

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 \$1,000. 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.

TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Fund Balance - Fund Balance included in the current fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants 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 and the Township of Springfield School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Springfield School District and the Northern Burlington County Regional School District. Operations is charged for the full amount required to be raised from taxation to operate for both the local school district and the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

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.

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.

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

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

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

Subsequent Events - The Township has evaluated subsequent events occurring after December 31, 2014 through the date of June 22, 2015, which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

The Township is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2014, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 3,998,980
Total Deposits	<u>\$ 3,998,980</u>
Fund:	
Current Fund	\$ 1,598,939
Dog Trust	5,170
Trust Other	1,271,527
General Capital	<u>1,123,344</u>
Total	<u>\$ 3,998,980</u>

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2: Cash and Cash Equivalents (continued):

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. The Township does have a deposit policy for custodial credit risk. December 31, 2014, the Township’s bank balance of \$4,071,989 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and uncollateralized	1,276,699
Collateralized in the Township's Name Under GUDPA	<u>2,545,290</u>
Total	<u><u>\$ 4,071,989</u></u>

Note 3: Property Taxes

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

	2014	2013	2012
Total Tax Rate	<u>\$2.686</u>	<u>\$2.334</u>	<u>\$2.265</u>
Apportionment of Tax Rate:			
Municipal	0.468	0.416	0.399
County	0.392	0.353	0.367
Local School	0.882	0.769	0.746
Regional School	0.925	0.778	0.734
Municipal Open Space	0.019	0.018	0.019

Net Valuation Taxable:

2014	<u>\$ 391,255,670</u>	
2013	<u>\$ 440,433,922</u>	
2012		<u>\$ 444,262,665</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 10,518,507	\$ 10,188,317	96.86%
2013	10,311,443	10,085,284	97.80%
2012	10,083,964	9,813,541	97.32%

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 3: Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 173,302	\$ 183,386	\$ 356,688	3.39%
2013	152,088	176,469	328,557	3.19%
2012	125,621	204,021	329,642	3.27%

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 two years was as follows:

YEAR	AMOUNT
2014	\$ 498,600
2013	498,600
2012	498,600

Note 5. Pension:

A. Plan Description

The Township of Springfield contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of N.J.S.A.43:15A and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of N.J.S.A.43:16A. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of N.J.S.A.43:16A, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by

TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 5. Pension (continued):

writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A.43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 4C below.

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PFRS and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

TOWNSHIP OF SPRINGFIELD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 5. Pension (continued):

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. Tier 3 was added to PERS for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a “target funded ratio”.

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

D. Contribution Requirements

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A.18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide

for employee contributions of 6.5%, effective October 1, 2011, of employees’ annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both PERS and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S. and Springfield Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan’s board of trustees. The Township’s contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$29,278, \$39,875, and \$40,558, respectively, equal to the required contributions for each year and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$121,205, \$128,171 and \$122,687, respectively, equal to the required contributions for each year.

Note 6. Post-Employment Benefits Other Than Pension Benefits

The Township of Springfield adopted Resolution No. 1985-47 on June 12, 1985, which adopted the provisions of Chapter 88, Public Laws of 1974 as amended by Chapter 436, P.L. 1981 and as further amended to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey State Health Benefits Program.

The Township agrees to pay the full cost of such New Jersey State Health Benefits premiums and Medicare Part B charges for all eligible retired employees and their dependents covered under the program, including surviving spouses, if such employees retired from a state or locally administered retirement system effective after the effective date of the Resolution on a benefit based on 25 years or more of service credited in such retirement system. Currently there is one eligible participant and spouse receiving benefits under the program.

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Post-Employment Benefits Other Than Pension Benefits (continued):

The amount of post-employment benefit expenditures recognized during 2014 for State Health Benefits is \$114,447. The Township is financing these expenditures on a pay-as-you-go basis.

Resolution No. 2007-10-08 adopted on October 10, 2007 terminated the provisions of Chapter 88 and enacted the provisions of Chapter 48 to require that employees of Springfield Township as of October 10, 2007 must have 25 years of service in the retirement system and 20 years of service to Springfield Township in order to be eligible for post-employment health benefits. In addition, Resolution 2007-10-08 provided that post-employment health benefits do not apply to employees hired by Springfield Township after October 10, 2007. Currently there are four eligible participants and family receiving benefits under this provision.

Note 7. Deferred District School Taxes:

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

The Township has elected to defer school taxes as follows:

	Local School Tax		Regional School Tax	
	Balance 2014	Balance 2013	Balance 2014	Balance 2013
Balance of Tax	\$ 1,725,124	\$ 1,691,298	\$ 1,911,087	\$ 1,808,582
Deferred	1,509,510	1,359,510	1,598,978	1,398,978
Taxes Payable	<u>\$ 215,614</u>	<u>\$ 331,788</u>	<u>\$ 312,109</u>	<u>\$ 409,604</u>

Note: 8: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2014	\$ 769,961	\$ 560,040	72.74%
2013	617,134	430,970	69.83%
2012	463,549	350,000	75.50%
2011	589,809	378,000	64.09%
2010	506,759	505,000	99.65%

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 9. Interfund Receivables and Payables:

The composition of interfund balances as of December 31, 2014 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Current	\$ 4,492	\$ 44,359
Grant	38,026	-
Trust Other	3,684	4,492
Capital	2,663	14
Total	<u><u>\$ 48,865</u></u>	<u><u>\$ 48,865</u></u>

The purpose of these interfunds is short-term borrowings.

Note 10. Joint Insurance Pool

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

Workers' Compensation and Employer's Liability
Liability Other Than Motor Vehicles
Property Damage Other Than Motor Vehicles
Motor Vehicles

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, 2014, which can be obtained from:

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

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 11. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

Summary of Municipal Debt	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued & Outstanding			
General:			
Bonds & Notes	<u>\$ 5,668,000</u>	<u>\$ 4,855,000</u>	<u>\$ 4,157,942</u>
Net Debt Issued	<u>5,668,000</u>	<u>4,855,000</u>	<u>4,157,942</u>
Authorized But Not Issued			
General - Bonds & Notes	<u>2,810,000</u>	<u>3,898,799</u>	<u>50,000</u>
Total Issued & Authorized but Not Issued	<u><u>8,478,000</u></u>	<u><u>8,753,799</u></u>	<u><u>4,207,942</u></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 indicates a statutory net debt of 2.113%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District Debt	\$ 2,730,044	\$ 2,730,044	\$ -
General Debt	<u>8,478,000</u>	<u>-</u>	<u>8,478,000</u>
Total	<u><u>\$ 11,208,044</u></u>	<u><u>\$ 2,730,044</u></u>	<u><u>\$ 8,478,000</u></u>

Net Debt, \$8,478,000 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$401,138,224 equals 2.113%.

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 11. Capital Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 14,039,838
Net Debt	<u>8,478,000</u>
Remaining Borrowing Power	<u><u>\$ 5,561,838</u></u>

As of December 31, 2014, the Township's Long-Term Debt is as follows:

General Obligation Bonds:

2004 Refunding Bond Issue with remaining annual installments of \$120,000 to \$125,000 through August 2017 at interest rates ranging from 3.5% to 3.75%.	\$ 370,000
2013 Refunding Bond Issue due in annual installments of \$35,000 to 355,000 through August 2024 at interest rates ranging from 2.0% to 4.0%.	2,710,000
2014 General Improvement Bond Issue due in annual installments of \$83,000 to 160,000 through January 2034 at interest rates ranging from 3.0% to 4.0%.	<u>2,588,000</u>
Total	<u><u>\$ 5,668,000</u></u>

General Serial Bonds:

Year	Principal	Interest	Total
2015	\$ 338,000	\$ 190,315	\$ 528,315
2016	350,000	179,575	529,575
2017	360,000	168,138	528,138
2018	400,000	156,400	556,400
2019	400,000	141,400	541,400
2020-2024	2,220,000	502,250	2,722,250
2025-2029	800,000	246,600	1,046,600
2030-2034	<u>800,000</u>	<u>96,000</u>	<u>896,000</u>
Total	<u><u>\$5,668,000</u></u>	<u><u>\$ 1,680,678</u></u>	<u><u>\$7,348,678</u></u>

Note 12. Mortgages Receivable

The Township has issued mortgages under two programs approved by the Council on Affordable Housing guidelines, Accessory Apartment Program and the Springfield Township Housing Rehabilitation Program.

TOWNSHIP OF SPRINGFIELD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 12. Mortgages Receivable (continued):

- a. **Accessory Apartment Program** – Forgivable loans are available under the Neighborhood Preservation Program for providing an accessory apartment to low-income households. Upon acceptance of the loan, the borrower agrees to rent the accessory apartment to a certified low-income tenant for a period of 10 years. Failure to comply with the requirements will result in monies being returned to the Township. As of December 31, 2014, three accessory apartment mortgages are outstanding with a total receivable of \$30,000.

- b. **Springfield Township Housing Rehabilitation Program** – Forgivable loans are available under the Neighborhood Preservation Program to Township certified low-income households for the purpose of correcting defects in the house and satisfying the local and state building codes. Upon acceptance of the loan, the borrower agrees to maintain ownership and reside on the property for a period of six years. Failure to comply with the requirements will result in monies being returned to the Township. December 31, 2014, six rehabilitation mortgages are outstanding with a total receivable of \$12,000.

Note 13. Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2014:

	December 31, 2013	Additions	Deletions	Transfers/ Adjustments	December 31, 2014
Capital Assets not being depreciated:					
Land	\$ 3,881,569	\$ -	\$ -	\$ 99,831	\$ 3,981,400
Buildings	1,247,650	-		-	1,247,650
Vehicles	1,224,513	-		-	1,224,513
Equipment	315,479	5,703	(3,340)	12,383	330,225
	<hr/>				<hr/>
Capital Assets not being depreciated	\$ 6,669,211	\$ 5,703	\$ (3,340)	\$ 112,214	\$ 6,783,788
	<hr/>				<hr/>

All additions are recorded at cost.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2016

Township Council of the
Township of Springfield, in the
County of Burlington, New Jersey

Dear Township Council Members:

We have acted as bond counsel to the Township of Springfield, in the County of Burlington, New Jersey (the "Township") in connection with the issuance by the Township of \$2,760,000 General Improvement Bonds, dated the date hereof (the "Bonds"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us, as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey and bond ordinance #2013-02 of the Township finally adopted April 10, 2013, in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding general obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, pursuant to Section 103(a) of the Code, interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. It is also our opinion that interest on the

Bonds held by a corporate taxpayer is included in “adjusted current earnings” in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,