
PRELIMINARY OFFICIAL STATEMENT DATED MAY 3, 2016

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township of Chesterfield, County of Burlington, New Jersey ("Township") with certain tax covenants described herein, under existing law, interest on the Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code. In the case of certain corporations that own the Bonds, the interest thereon is not excludable in computing the alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". In addition, interest on the Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the Bonds (as hereinafter defined) and any gain from the sale thereof is not includable in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$6,365,000
TOWNSHIP OF CHESTERFIELD
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2016
(Bank Qualified) (Callable)

Dated: Date of Delivery

Due: May 15, as shown on the inside front cover

The Township of Chesterfield, County of Burlington, New Jersey ("Township") is issuing \$6,365,000 aggregate principal amount of its General Obligation Bonds, Series 2016 ("Bonds"). The Bonds shall be issued in fully registered book-entry-only form without coupons.

The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds at the offices of the Township, or the hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on May 15 and November 15 ("Interest Payment Dates"), commencing May 15, 2017, in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to their stated maturity dates as set forth herein.

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

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Bond Ordinances 2015-02 and 2016-03, each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on April 28, 2016; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2016.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements for obligations that have been authorized but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

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

The Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, John C. Gillespie, Esquire, of the law firm Parker McCay P.A., Mount Laurel, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Financial Advisor to the Township in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about June 1, 2016.

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

\$6,365,000
TOWNSHIP OF CHESTERFIELD
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2016
(Bank Qualified) (Callable)

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

<u>Maturity</u> <u>(May 15)</u>	<u>Principal</u>	<u>Interest</u> <u>Rates</u>	<u>Yields</u>	<u>CUSIPs*</u>
2017	\$125,000	%	%	
2018	150,000			
2019	155,000			
2020	160,000			
2021	165,000			
2022	170,000			
2023	175,000			
2024	200,000			
2025	200,000			
2026	200,000			
2027	200,000			
2028	200,000			
2029	200,000			
2030	200,000			
2031	200,000			
2032	200,000			
2033	250,000			
2034	250,000			
2035	250,000			
2036	250,000			
2037	250,000			
2038	250,000			
2039	250,000			
2040	250,000			
2041	250,000			
2042	250,000			
2043	250,000			
2044	250,000			
2045	250,000			
2046	215,000			

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein 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 representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF CHESTERFIELD
COUNTY OF BURLINGTON, NEW JERSEY**

<u>Name</u>	<u>Title</u>
Jeremy I. Liedtka	Mayor
Alexander Robotin	Deputy Mayor
Samuel Davis	Committee Member
Ronald Kolczynski	Committee Member
Richard T. LoCascio	Committee Member

Chief Financial Officer
Wendy A. Wulstein

Township Clerk
Caryn Hoyer

Solicitor
John C. Gillespie, Esq.
Parker McCay P.A.
Mount Laurel, New Jersey

Auditor
Holman Frenia Allison, P.C.
Bordentown, New Jersey

Bond Counsel
Parker McCay P.A.
Mount Laurel, New Jersey

Financial Advisor
Phoenix Advisors, LLC
Bordentown, New Jersey

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

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

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

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

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

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

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\$6,365,000
TOWNSHIP OF CHESTERFIELD
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2016

INTRODUCTION

This Official Statement, including the cover page, inside cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Chesterfield, County of Burlington, New Jersey ("Township") of its \$6,365,000 aggregate principal amount of General Obligation Bonds, Series 2016 ("Bonds").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 2015-02 and 2016-03 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Committee and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Committee on April 28, 2016; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May __, 2016.

The Township made application to the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("LFB"), to exceed its borrowing capacity with the issuance of the Bonds in accordance with N.J.S.A. 40A:2-7(d), et. seq. On March 9, 2016, LFB adopted a resolution containing positive findings with respect to the issuance of the Bonds and the transaction described herein.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements authorized by the Bond Ordinances for which obligations have been authorized but not issued, all as more particularly described in the table below; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

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

Bond Ordinance	Improvements	Amount of Bonds/ Notes Authorized	Amount of Bonds to be Issued
2015-02	Construction of a New Municipal Building	\$4,940,000	\$4,940,000
2016-03	Supplemental Funding for Construction of a New Municipal Building	1,425,000	1,425,000
TOTAL GENERAL IMPROVEMENT		\$6,365,000	\$6,365,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amount of \$6,365,000. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on May 15 and November 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing May 15, 2017, in each year until maturity or earlier redemption.

Individual purchases of the Bonds may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on May 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Township, or the hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the offices of the Chief Financial Officer or the hereafter designated paying agent, if any, as of the close of business on the first (1st) day of the calendar month containing an Interest Payment Date (each a "Record Date").

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

Redemption Provisions

The Bonds maturing on and after May 15, 2027 are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after May 15, 2026, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any

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

Book-Entry-Only System ¹

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

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

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

¹ Source: The Depository Trust Company

that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Redemption proceeds and distributions on the Bonds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the hereafter designated 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 Township or the hereafter designated paying agent, if any, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the hereafter designated paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township or the hereafter designated paying agent, if any; (ii) the transfer of the Bonds may be registered on the books maintained by the Township or the hereafter designated paying agent, if any, for such purposes only upon the surrender thereof to the Township or the hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the Township or the hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of the Bonds, the Township or the hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect

to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY FOR THE BONDS

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

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

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

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

Financial

Appendix "B" contains certain unaudited financial data of the Township extracted from the Township's Annual Financial Statement for the Township's fiscal year ending December 31, 2015 and certain audited financial data of the Township for the Township's fiscal year ending December 31, 2014. The audited financial data was extracted from the report prepared by John J. Maley, Jr., CPA, Bordentown, New Jersey (the "2014 Auditor"), to the extent and for the period set forth in their report appearing in Appendix "B", and are included herein in reliance upon the authority of such firm. Holman Frenia Allison, P.C., Bordentown, New Jersey (the "Auditor"), has not participated in the preparation of the financial or statistical information contained in this Official Statement, except for the preparation of the unaudited financial statements and audited financial statements contained in Appendix "B".

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

Local Bond Law

General - The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less

than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non-special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

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

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis.

On November 7, 2007, the Local Finance Board approved an extension of credit application by The Board of Education of the Township of Chesterfield, permitting the Board of Education of the Township of Chesterfield (the "School District") to hold a referendum for the construction of a new school in the amount of \$37,685,000. At the time, the growing School District had a remaining borrowing capacity of only \$12,276,115, therefore the extension of credit of approximately \$25,409,000 utilized the Township's remaining capacity of approximately \$13,497,000 and further exceeded the Township's borrowing capacity by an additional \$11,912,000.

In August of 2015 and February of 2016, the School District issued two (2) Series of School Refunding Bonds to refund the Series 2008 Bonds, increasing outstanding principal debt by \$2,295,000, although total debt service savings of more than \$2,880,000 were realized. The Supplemental Debt Statements filed by the Township on behalf of the School District for these transactions resulted in the Township exceeding their debt limitation once again – at the time by \$951,929.

As of the date of this Official Statement, the Township's total outstanding debt is \$9,224,140.87, only 1.28% of the average equalized valuation in the Township over the last three years. However, when combined with the \$18,289,912 which represents debt issued by the School District for local school purposes, over and above the School District's capacity, total net debt of the Township is \$27,514,052.87, or 3.83% of average equalized valuation. With the issuance of the Bonds, the Township will exceed its three and one-half percent (3.50%) debt limit. The Township expects to be back within their borrowing capacity by February of 2018.

Exceptions to Debt Limits – Extensions of Credit - The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair

the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

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

Local Fiscal Affairs Law

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

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

An independent examination of the Township's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2014 is on file with the Township Clerk and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

Local Budget Law

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

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

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

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

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

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2.00%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2.00%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.00%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.00% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 *et seq.*), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly

related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2.00%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2.00%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

Miscellaneous Revenues

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

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

Real Estate Taxes

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

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

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

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

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

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3.00%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

The Municipal Finance Commission

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

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

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and

the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

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

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

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. The last complete revaluation of property within the Township was in 2005, effective for the 2006 tax year.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18.00% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6.00% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the Township are periodically assigned to the Township Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the "adjusted current earnings" of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on the Bonds is included in computing a corporation's "adjusted current earnings." Accordingly, a portion of the interest on the Bonds is included in computing such corporation's alternative minimum taxable income for such year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has relied on the Township's covenants contained in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, relating to, *inter alia*, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has designated the Bonds as "qualified tax-exempt

obligations" for the purposes of Section 265(b)(1) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

LITIGATION

To the knowledge of the Township's Solicitor, John C. Gillespie, Esquire, of the law firm Parker McCay P.A., Mount Laurel, New Jersey ("Solicitor"), 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 Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

RATING

Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("Rating Agency"), has assigned a rating of "AA-" to the Bonds, based upon the creditworthiness of the Township.

The rating reflects only the views of the Rating Agency. Any desired explanation of the significance of such rating should be obtained directly from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

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

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

The Township compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto.

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

Holman Frenia Allison, P.C., Bordentown, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale by _____, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated May __, 2016. The Underwriter has purchased the Bonds in accordance with the Notice of Sale prepared in connection with the Bonds. The Bonds are being offered for sale at the yields set forth on the inside front cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

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

LEGALITY FOR INVESTMENT

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

FINANCIAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as financial advisor to the Township with respect to the issuance of the Bonds ("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.

NO DEFAULT

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

CONTINUING DISCLOSURE

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

The Township currently does not have undertakings with regard to continuing disclosure for prior obligations issued. The Township has appointed Phoenix Advisors, LLC, Bordentown, New Jersey to act as Continuing Disclosure Agent to assist in the filing of certain information on the Municipal Securities Rulemaking Board's "the MSRB" Electronic Municipal Market Access Dataport ("EMMA") as required under its future obligations.

LEGAL MATTERS

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

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

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Wendy A. Wulstein, Chief Financial Officer, Township of Chesterfield, at 300 Bordentown-Chesterfield Road, Chesterfield, New Jersey 08515, (609) 298-2311, or to the Financial Advisor, Phoenix Advisors, LLC, at 4 West Park Street, Bordentown, New Jersey 08505, (609) 291-0130.

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

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

This Official Statement has been duly executed and delivered by the Chief Financial Officer of the Township for and on behalf of the Township.

**TOWNSHIP OF CHESTERFIELD,
NEW JERSEY**

By: _____
Wendy A. Wulstein, Chief Financial Officer

Dated: May __, 2016

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF CHESTERFIELD

INFORMATION REGARDING THE TOWNSHIP¹

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

General Information

The Township encompasses approximately twenty-two (22) square miles in the northern portion of the County, approximately ten (10) miles south of Trenton and thirty (30) miles north of Philadelphia and Camden. It is primarily an agricultural region, bordered by Hamilton Township to the north, Bordentown Township to the west, Mansfield and Springfield Townships to the south and North Hanover Township to the east.

Three historic villages are located within the Township: Sykesville, Chesterfield and Crosswicks. The majority of the first permanent settlers in the Township were Quakers, who arrived in 1677 and settled in and around Crosswicks, the oldest of the three villages.

Major highway routes provide the primary transportation links with other parts of the state and nation. The New Jersey turnpike traverses the Township. State highway routes 130 and 206, along with Interstate Route 295, are easily accessible from the Township.

Airport passenger service is available at Philadelphia International, Northeast Philadelphia and Newark Airports. Train service is available through NJ Transit in nearby Hamilton Township allowing residents to commute to both Philadelphia and New York for both business and pleasure.

Agriculture and horse farming are the predominant land uses in the Township. Preservation of farmland is very important to the Master Plan of the Township. The Township currently has 4,575 acres of farmland preserved, representing one-third of the total land in the Township.

Form of Government

The Township was incorporated by Special Act of Legislature in 1798 and currently operates under the Township Committee form of government. The Township Committee discharges both the legislative and executive functions. The Township Committee is comprised of three Committee members, who are elected on a partisan basis for overlapping three-year terms. The Committee has traditionally selected the committee member serving the last year of such member's three year term as Mayor. The Mayor is also charged with the responsibility of Chief Law Enforcement Officer. The selection of Mayor is made on the first day of January following the election.

¹ Source: The Township, unless otherwise indicated.

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 (the “Division”), 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 Information²

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs in 2015, which is based upon the annual billings received from the State, amounted to \$64,515 for PERS and \$125,779 for PFRS.

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² Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2015	2,845	2,710	135	4.7%
2014	2,806	2,644	162	5.8%
2013	2,875	2,673	202	7.0%
2012	2,874	2,632	242	8.4%
2011	2,323	2,183	139	6.0%
<u>County</u>				
2015	232,359	220,281	12,078	5.2%
2014	229,579	214,868	14,711	6.4%
2013	233,316	215,629	17,687	7.6%
2012	236,034	215,650	20,384	8.6%
2011	235,710	215,180	20,530	8.7%
<u>State</u>				
2015	4,545,083	4,291,650	253,417	5.6%
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%

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	\$113,125	\$76,258	\$71,180
Median Family Income	120,288	91,185	86,779
Per Capita Income	20,655	34,802	35,768

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>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2010	7,699	29.29%	448,734	5.98%	8,791,894	4.49%
2000	5,955	15.59	423,394	7.17	8,414,350	8.85
1990	5,152	33.23	395,066	8.97	7,730,188	4.96
1980	3,867	21.22	362,542	12.20	7,365,001	2.75
1970	3,190	26.64	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</u>	<u>% of Total</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
Colonial Pipeline Co.	\$4,202,100	0.57%
Old York Country Club	3,000,000	0.41%
Taxpayer 1	2,305,100	0.32%
Mekwin LLC	1,952,500	0.27%
Public Service Electric & Gas Company	1,890,950	0.26%
Traditions, Chesterfield LLC	1,807,300	0.25%
Taxpayer 2	1,458,800	0.20%
Taxpayer 3	1,259,800	0.17%
Verizon	1,197,383	0.16%
Anna N A Black Fann	<u>1,134,000</u>	<u>0.16%</u>
Total	<u>\$20,207,933</u>	<u>2.76%</u>

Source: Comprehensive Annual Financial Report of the School District and 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	\$19,912,446	\$19,568,619	98.27%
2014	18,332,062	18,019,405	98.29%
2013	17,096,481	16,617,881	97.20%
2012	18,144,304	17,708,206	97.60%
2011	15,636,762	15,331,418	98.05%

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	\$0	\$303,995	\$303,995	1.53%
2014	49,377	254,769	304,146	1.66%
2013	33,587	286,292	319,879	1.87%
2012	53,060	325,996	379,056	2.09%
2011	54,697	268,417	323,114	2.07%

U: Unaudited

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2015U	\$0
2014	302,800
2013	302,800
2012	38,000
2011	38,000

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 Township residents for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>	<u>Total Taxes</u>	<u>Fire District #1</u>	<u>Fire District #2</u>
2015	\$0.224	\$1.345	\$0.593	\$0.413	\$2.575	\$0.103	\$0.086
2014	0.177	1.267	0.602	0.372	2.418	0.102	0.083
2013	0.129	1.156	0.575	0.378	2.238	0.100	0.079
2012	0.295	1.124	0.597	0.392	2.408	0.099	0.078
2011r	0.053	1.094	0.544	0.388	2.079	0.096	0.077

r: Reassessment

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	\$729,727,420	\$725,375,169	100.60%	\$1,197,383	\$726,572,552
2014	723,187,750	720,521,819	100.37	1,189,657	721,711,476
2013	724,872,250	708,713,580	102.28	1,373,508	710,087,088
2012	719,003,800	715,854,042	100.44	1,428,088	717,282,130
2011r	712,723,800	730,848,852	97.52	1,414,385	732,263,237

r: Reassessment

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

Classification of Ratables

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2015	\$12,749,620	\$627,626,300	\$67,354,100	\$21,435,700	\$249,800	\$311,900	\$729,727,420
2014	12,679,850	620,147,500	67,980,700	22,067,800	0	311,900	723,187,750
2013	15,007,250	615,693,700	68,925,500	24,933,900	0	311,900	724,872,250
2012	16,999,100	605,978,600	70,320,500	25,393,700	0	311,900	719,003,800
2011r	17,452,700	595,722,000	70,810,500	28,426,700	0	311,900	712,723,800

r: Reassessment

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

Financial Operations

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

Summary of Current Fund Budget

<u>Anticipated Revenues</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fund Balance	\$2,345,000	\$750,000	\$1,688,000	\$1,415,000	\$1,130,000
Miscellaneous Revenues	1,391,602	892,096	965,355	985,407	1,108,886
Receipts from Delinquent Taxes	270,000	255,000	300,000	270,000	270,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>383,866</u>	<u>2,126,809</u>	<u>939,472</u>	<u>1,284,978</u>	<u>1,643,821</u>
Total Revenue	<u>\$4,390,468</u>	<u>\$4,023,905</u>	<u>\$3,892,827</u>	<u>\$3,955,385</u>	<u>\$4,152,707</u>

Appropriations

General Appropriations	\$2,827,859	\$2,918,333	\$2,932,186	\$3,295,117	\$3,027,920
Deferred Charges and Statutory Expenditures	359,495	363,525	395,641	1,267	336,787
Judgments	0	0	0	0	0
Capital Improvement Fund	554,414	97,047	0	0	100,000
Municipal Debt Service	147,600	147,000	146,000	209,000	210,000
Reserve for Uncollected Taxes	<u>501,100</u>	<u>498,000</u>	<u>419,000</u>	<u>450,000</u>	<u>478,000</u>
Total Appropriations	<u>\$4,390,468</u>	<u>\$4,023,905</u>	<u>\$3,892,827</u>	<u>\$3,955,384</u>	<u>\$4,152,707</u>

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

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

Fund Balance - Current Fund

<u>Year</u>	<u>Balance 12/31</u>	<u>Utilized in Budget of Succeeding Year</u>
2015U	\$2,594,202	\$1,297,000
2014	2,415,124	1,130,000
2013	2,605,539	1,415,000
2012	3,248,472	1,688,000
2011	2,402,593	750,000

U: Unaudited

Source: Annual Audit Reports of the Township

Sewer Utility Operating Fund

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

<u>Fund Balance - Sewer Utility Operating Fund</u>		
	Balance	Utilized in Budget
<u>Year</u>	<u>12/31</u>	<u>of Succeeding Year</u>
2015U	\$2,649,622	\$356,675
2014	2,713,075	244,500
2013	2,738,805	195,800
2012	2,693,599	127,650
2011	2,786,763	209,100

U: Unaudited

Source: Annual Audit Reports of the Township

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Township Indebtedness as of December 31, 2015

General Purpose Debt

Serial Bonds	\$2,165,000
Bond Anticipation Notes	6,259,721
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$8,424,721</u>

Local School District Debt

Serial Bonds	\$35,330,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	1,850,000
Total:	<u>\$37,180,000</u>

Regional School District Debt

Serial Bonds	\$4,378,773
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$4,378,773</u>

Self-Liquidating Debt

Serial Bonds	\$2,255,939
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$2,255,939</u>

TOTAL GROSS DEBT

\$52,239,433

Less: Statutory Deductions	
General Purpose Debt	\$625,580
Local School District Debt	17,955,088
Regional School District Debt	4,378,773
Self-Liquidating Debt	2,255,939
Total Deductions:	<u>\$25,215,380</u>

TOTAL NET DEBT

\$27,024,053

Source: Annual Debt Statement of the Township

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Overlapping Debt (as of December 31, 2015)³

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$37,180,000	100.00%	\$37,180,000
Regional School District	16,226,000	27.00%	4,378,773
County	282,131,755	1.57%	<u>4,427,897</u>
Net Indirect Debt			\$45,986,670
Net Direct Debt			<u>27,024,053</u>
Total Net Direct and Indirect Debt			<u>\$73,010,723</u>

Debt Limit

Average Equalized Valuation Basis (2013, 2014, 2015)	\$718,203,523
Permitted Debt Limitation (3 1/2%)	25,137,123
Less: Net Debt	<u>27,024,053</u>
Remaining Borrowing Power	<u>-\$1,886,930</u>
Percentage of Net Debt to Average Equalized Valuation	3.763%
 Gross Debt Per Capita based on 2010 population of 7,699	 \$6,785
Net Debt Per Capita based on 2010 population of 7,699	\$3,510

Source: Annual Debt Statement of the Township

³ Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

TOWNSHIP OF CHESTERFIELD
COMBINED COMPARATIVE BALANCE SHEET
STATUTORY BASIS

	Current and Grant Funds	Trust Funds	General Capital Fund	Sewer Utility Operating Fund	Sewer Utility Capital Fund	Fixed Assets	Dec. 31, 2015	Dec. 31, 2014
ASSETS								
Cash and Investments	4,494,418	1,821,149	897,547	4,166,842			\$ 11,379,956	\$ 11,987,008
Taxes, Assessments, Liens and Rents Receivable	303,995			38,358			342,353	338,965
Property Acquired for Taxes and Assessed Value	895,300						895,300	302,800
Accounts Receivable	554,449		609,500				1,163,949	1,532,248
Interfunds Receivable	89,717	3,477	242,304	110	1,456,126		1,791,734	2,639,628
Fixed Capital							-	19,495
Fixed Capital Authorized & Uncompleted - Sewer Utility					5,809,495		5,809,495	5,790,000
Deferred Charges to Future Taxation - General Capital			8,424,721				8,424,721	3,399,721
Deferred Charges to Revenue of Succeeding Years							-	-
General Fixed Assets						5,870,417	5,870,417	5,870,417
Total Assets	\$ 6,337,879	\$ 1,824,627	\$ 10,174,072	\$ 4,205,310	\$ 7,265,621	\$ 5,870,417	\$ 35,677,925	\$ 31,880,282
LIABILITIES, RESERVES & SURPLUS								
Bonds and Notes Payable			2,165,000		2,197,579		\$ 4,362,579	\$ 4,786,141
Improvement Authorizations			6,259,862		1,029,486		7,289,347	2,533,339
Other Liabilities and Special Funds	2,146,995	1,812,547	1,644,907	55,922	475,505		6,135,876	6,597,248
Interfunds Payable	318,246	12,080		1,461,408			1,791,734	2,639,628
Amortization of Debt for Fixed Capital Acquired or Authorized							-	3,215,499
Reserve for Amortization					3,553,556		3,553,556	19,495
Reserve for Certain Assets Receivable	1,278,436			38,358			1,316,794	876,026
Investment in General Fixed Assets							-	5,870,417
Fund Balance	2,594,202		104,303	2,649,622	9,495	5,870,417	11,228,039	5,342,489
Total Liabilities, Reserves and Fund Surplus	\$ 6,337,879	\$ 1,824,627	\$ 10,174,072	\$ 4,205,310	\$ 7,265,621	\$ 5,870,417	\$ 35,677,925	\$ 31,880,282

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014
STATUTORY BASIS

	Year 2015	Year 2014
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,130,000	\$ 1,415,000
Miscellaneous - From Other Than		
Local Property Tax Levies	1,906,243	1,764,470
Collection of Delinquent Taxes and Tax Title Liens	252,963	275,828
Collection of Current Tax Levy	19,568,618	18,019,405
	<hr/>	<hr/>
Total Income	22,857,824	21,474,703
	<hr/>	<hr/>
Expenditures:		
Budget Expenditures - Municipal Purposes	3,922,866	3,753,535
County Taxes	3,067,763	2,704,101
Local School Taxes	9,500,382	8,786,219
Regional School Taxes	4,350,865	4,271,660
Fire District Taxes	707,248	688,070
Other Expenditures	115	46,244
	<hr/>	<hr/>
Total Expenditures	21,549,239	20,249,829
	<hr/>	<hr/>
Excess in Revenue	1,308,586	1,224,874
	<hr/>	<hr/>
Fund Balance January 1	2,415,616	2,605,742
	<hr/>	<hr/>
	3,724,202	3,830,616
Less: Utilization as Anticipated Revenue	1,130,000	1,415,000
	<hr/>	<hr/>
Fund Balance - December 31	\$ 2,594,202	\$ 2,415,616
	<hr/> <hr/>	<hr/> <hr/>

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015
STATUTORY BASIS

	Year 2015	Year 2014
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 244,500	\$ 195,800
Miscellaneous from Other Than Sewer Rents	367,849	207,177
Collection of Sewer Rents	229,144	363,709
	<hr/>	<hr/>
Total Income	841,493	766,686
	<hr/>	<hr/>
Budget Expenditures	660,446	596,616
	<hr/>	<hr/>
Total Expenditures	660,446	596,616
	<hr/>	<hr/>
Excess in Revenue	181,047	170,070
Fund Balance January 1	2,713,075	2,738,805
	<hr/>	<hr/>
	2,894,122	2,908,875
Less: Utilization as Anticipated Revenue	244,500	195,800
	<hr/>	<hr/>
Fund Balance - December 31	\$ 2,649,622	\$ 2,713,075
	<hr/> <hr/>	<hr/> <hr/>

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF CHESTERFIELD

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-6639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Township Committee
Township of Chesterfield
County of Burlington
Chesterfield, New Jersey

I have audited the accompanying financial statements of each fund of the Township of Chesterfield, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2014 and 2013, and the related notes to the financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 as prescribed by the Local Finance Board, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

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

Adverse Opinion on U.S. generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion of U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2014 and 2013 or the results of operations of such funds and changes in funds balances for the years then ended.

Unmodified Opinion

In my opinion, the statutory financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds of the Township of Chesterfield, State of New Jersey, as of December 31, 2014 and 2013, and the results of operations of such funds and changes in fund balances for the years then ended in conformity with the basis of accounting described in the Note 1.

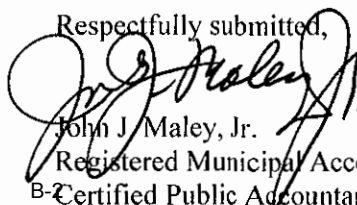
Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 16, 2015 on my consideration of the Township of Chesterfield's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Chesterfield's internal control over financial reporting and compliance.

Respectfully submitted,



John J. Maley, Jr.

Registered Municipal Accountant No. 218

B-Certified Public Accountant

May 16, 2015

A

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2014

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-7	384,155.41	428,531.24
Reserve for Encumbrances	A-3:A-7	29,571.32	69,689.89
Accounts Payable	A-3:A-7	5,526.76	8,176.29
Due to State of New Jersey:			
Senior Citizen and Veterans Deductions		5,725.05	4,076.42
Marriage License Fees & Training Fees		3,283.00	2,701.00
Due County for Added & Omitted Taxes		17,075.44	25,890.82
Taxes Collected in Advance	A-4	83,399.89	97,584.45
Tax Overpayments		61,688.71	50,516.98
Reserve for Special Law Enforcement Fund	A-4	128.16	128.16
Regional High School Tax Payable	A-9	122,845.55	115,927.00
Reserve for Tax Appeals	A-4	40,732.00	30,732.00
Reserve for Sale of Municipal Assets		860,000.00	-
Interfund - General Capital Fund	C	955,631.75	2,145,324.02
Interfund - Other Trust Fund	B	-	3,758.59
Prepaid Fees		200.00	200.00
Unallocated Receipt		2,500.00	2,500.00
		<u>2,572,463.04</u>	<u>2,985,736.86</u>
Reserves for Receivables and Other Assets	A	841,207.48	809,091.33
Fund Balance	A-1	2,415,616.12	2,605,742.08
		<u>5,829,286.64</u>	<u>6,400,570.27</u>
Total Regular Fund			
Federal and State Grant Fund:			
Due Current Fund	A	155,142.06	114,149.66
Reserve for Encumbrances	A-11	15,740.25	-
Appropriated Reserves	A-11	669,736.15	767,078.74
Unappropriated Reserves	A-12	1,851.30	6,624.18
		<u>842,469.76</u>	<u>887,852.58</u>
Total Federal and State Grant Funds		<u>842,469.76</u>	<u>887,852.58</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 6,671,756.40</u>	<u>\$ 7,288,422.85</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2014

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>ASSETS</u>			
Regular Fund:			
Cash	A-4	\$ 4,987,979.16	\$ 5,591,378.94
Cash - Change Funds		100.00	100.00
		<u>4,988,079.16</u>	<u>5,591,478.94</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	254,768.95	286,292.29
Revenue Accounts Receivable	A-6	68,277.80	68,703.23
Tax Title Lien Receivable		49,377.40	33,586.56
Property Acquired for Taxes - Assessed Valuation		302,800.00	302,800.00
Due from Grant Fund	A	155,142.06	114,149.66
Due from Payroll Trust Fund	E	2,083.04	2,083.04
Due from Other Trust Fund	B	5,241.41	-
Due from Animal Control Fund	B	180.64	180.64
Due from Sewer Operating Fund	D	3,336.18	1,295.91
		<u>841,207.48</u>	<u>809,091.33</u>
Total Regular Fund		<u>5,829,286.64</u>	<u>6,400,570.27</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-10	842,469.76	887,852.58
Total Federal and State Grant Funds		<u>842,469.76</u>	<u>887,852.58</u>
TOTAL ASSETS		<u>\$ 6,671,756.40</u>	<u>\$ 7,288,422.85</u>

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
STATUTORY BASIS
2014

	Year 2014	Year 2013
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	1,415,000.00	1,688,000.00
Miscellaneous Revenue Anticipated	1,303,122.79	1,648,183.92
Receipts From Delinquent Taxes	275,827.60	316,415.83
Receipts From Current Taxes	18,019,404.69	16,617,881.29
Non-Budget Revenue	107,739.56	96,451.94
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	353,608.16	273,617.53
Prior Year Reserve Cancelled	-	34,447.22
Interfunds Cleared	-	196,413.84
TOTAL INCOME	\$ 21,474,702.80	\$ 20,871,411.57
<u>EXPENDITURES</u>		
Budget and Emergency Appropriations		
Operations		
Salaries and Wages	1,468,630.00	1,453,625.00
Other Expenses	1,879,975.74	1,847,484.20
Capital Improvements	195,000.00	629,864.00
Municipal Debt Service	208,662.23	188,000.00
Deferred Charges and Statutory Expenditures - Municipal	1,267.17	129.00
County Taxes	2,687,025.44	2,731,922.68
Due County for Added and Omitted Taxes	17,075.44	25,890.82
Local District School Tax	8,786,219.00	7,993,293.00
Regional High School Tax	4,271,659.84	4,279,885.29
Special District Tax	688,070.00	671,988.00
Prior Year Senior Citizens Disallowed	-	500.00
Interfund Advances	46,243.90	3,559.92
TOTAL EXPENDITURES	\$ 20,249,828.76	\$ 19,826,141.91
Excess in Revenues (Expenditures)	1,224,874.04	1,045,269.66
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which Are by Statute, Deferred		
Charges to Budget of Succeeding Year	-	-
Statutory Excess to Fund Balance	1,224,874.04	1,045,269.66
Fund Balance - January 1	2,605,742.08	3,248,472.42
	3,830,616.12	4,293,742.08
Decreased by:		
Utilization as Anticipated Revenue	1,415,000.00	1,688,000.00
Balance, December 31	\$ 2,415,616.12	\$ 2,605,742.08

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF REVENUES
2014

	Anticipated Budget	Special NJSA 40A:4-87	Realized	Excess Or (Deficit)
Fund Balance Anticipated	\$ 1,415,000.00		\$ 1,415,000.00	\$ -
MISCELLANEOUS REVENUES				
Local Revenues				
Licenses				
Alcoholic Beverages	5,000.00		5,000.00	-
Other	1,000.00		2,280.00	1,280.00
Fees and Permits	64,400.00		68,220.26	3,820.26
Fines and Costs				
Municipal Court	117,000.00		122,204.74	5,204.74
Interest and Costs on Taxes	60,000.00		59,689.20	(310.80)
Interest on Investments and Deposits	30,000.00		29,872.44	(127.56)
State Aid Without Offset Appropriations				
Energy Receipts Tax	512,715.00		512,715.00	-
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	122,000.00		181,361.00	59,361.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Public & Private Revenues Offset with Appropriations:				
CDBG - Handicap Lift	-	70,000.00	70,000.00	-
Safe and Secure Communities Program - PL1994 Ch220	-	25,000.00	25,000.00	-
Municipal Alliance on Alcoholism & Drug Abuse	6,750.00	12,104.00	18,854.00	-
Clean Communities Entitlement Program	-	11,876.79	11,876.79	-
Recycling Tonnage Grant	2,414.03		2,414.03	-
Drunk Driving Enforcement Fund	2,296.01	1,937.95	4,233.96	-
Body Armor Replacement Fund	1,755.82	1,427.86	3,183.68	-
Alcohol Education and Rehabilitation	158.32		158.32	-
Bullet Proof Vest	-	1,141.63	1,141.63	-
Burlington County Park Development Program - Recreation Building	-	125,000.00	125,000.00	-
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Gov't Services - Other Special Items				
Reserve to Pay Debt Service - General Capital Fund	22,917.74		22,917.74	-
Reserve for Open Space- General Capital Fund	37,000.00		37,000.00	-
TOTAL MISCELLANEOUS REVENUES	985,406.92	248,488.23	1,303,122.79	69,227.64
Receipts from Delinquent Taxes	270,000.00		275,827.60	5,827.60
Subtotal General Revenues	2,670,406.92	248,488.23	2,993,950.39	75,055.24
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,284,977.76		1,538,076.81	253,099.05
BUDGET TOTALS	3,955,384.68	248,488.23	4,532,027.20	328,154.29
Non-Budget Totals	-		107,739.56	107,739.56
TOTAL REVENUES	\$ 3,955,384.68	\$ 248,488.23	\$ 4,639,766.76	\$ 435,893.85

Ref. A-3 A-3

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF REVENUES
2014

ANALYSIS OF REALIZED REVENUE

ALLOCATION OF CURRENT TAX COLLECTIONS

Revenue from Collections		\$ 18,019,404.69	
Allocated To:			
Local District School Tax		9,171,954.00	
Regional High School Tax		4,367,203.00	
County Taxes		2,704,100.88	
Special District Taxes		<u>688,070.00</u>	
			<u>16,931,327.88</u>
Balance for Support of Municipal Budget Appropriations			1,088,076.81
ADD: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>450,000.00</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 1,538,076.81</u>
Receipts From Delinquent Taxes:			
Delinquent Tax Collections		<u>275,827.60</u>	
	A-2		<u>\$ 275,827.60</u>
Fees and Permits:			
Housing Inspection Fees		3,000.00	
Cable Franchise Fees		57,804.26	
Road Opening, Zoning and Subdivision Fees		<u>7,416.00</u>	
	A-2		<u>\$ 68,220.26</u>

ANALYSIS OF NON-BUDGET REVENUE:

MISCELLANEOUS REVENUE NOT ANTICIPATED:

Treasurer:			
Return Check Fees		20.00	
DMV Inspection Fees		3,051.17	
Certified Lists		220.00	
Duplicate Bill Fees, Postage, Copies and Buckets		1,472.33	
Land Rental		3,300.00	
Land Auction		13,500.00	
Special Charges		8,586.36	
E&E Settlement		10,000.00	
Police Fees		3,045.64	
2013 Flex Forfeited		363.80	
Prior Year Budget Reimbursements		9,855.59	
Court Restitution		350.00	
TDR Fees		300.00	
Recycling Buckets		64.00	
Driveway Permits		600.00	
Outside Police Fees		47,445.00	
Septic/Well Permit		175.00	
Solicitor's Permit		250.00	
Sale of Assets		400.00	
Architectural Reviews		2,760.00	
Professional Review/Site Plan Application Fees		900.00	
Senior Citizen and Veteran Administration Fees		770.00	
Miscellaneous		<u>310.67</u>	
			<u>107,739.56</u>
Less: Refunds		<u>-</u>	
	A-2		<u>107,739.56</u>
Total Miscellaneous Revenue Not Anticipated			<u>\$ 107,739.56</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2014

	Appropriations		Expended		Reserved	Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered		
GENERAL GOVERNMENT						
Administrative and Executive						
Salaries and Wages	\$ 14,200.00	\$ 14,200.00	\$ 14,195.94		\$ 4.06	
Other Expenses	24,300.00	29,800.00	16,248.69	5,640.68	7,910.63	
Mayor and Council						
Salaries and Wages	19,500.00	19,500.00	19,500.00		-	
Other Expenses	690.00	690.00	353.00		337.00	
Municipal Clerk						
Salaries and Wages	72,200.00	72,200.00	72,190.98		9.02	
Other Expenses	2,025.00	2,025.00	1,429.46	550.13	45.41	
Financial Administration						
Salaries and Wages	50,900.00	50,900.00	50,900.00		-	
Other Expenses	15,800.00	15,800.00	7,538.30	3,321.99	4,939.71	
Audit Services						
Other Expenses	23,000.00	23,000.00	22,900.00		100.00	
Assessment of Taxes						
Salaries and Wages	21,000.00	21,000.00	20,707.00		293.00	
Other Expenses:						
Maintenance of Tax Map	1,500.00	1,500.00	778.24		721.76	
Miscellaneous Other Expenses	20,685.00	12,685.00	4,080.57	4.81	8,599.62	
Collection of Taxes						
Salaries and Wages	26,200.00	26,200.00	24,925.55		1,274.45	
Other Expenses	8,000.00	8,000.00	2,356.04	2,805.00	2,838.96	
Legal Services and Costs						
Other Expenses	114,000.00	102,000.00	78,549.64		23,450.36	
Engineering Services and Costs						
Other Expenses	60,000.00	75,000.00	68,209.26		6,790.74	
Public Buildings and Grounds						
Salaries and Wages	13,000.00	13,000.00	9,517.50		3,482.50	
Other Expenses	14,350.00	16,350.00	14,650.88	129.15	1,569.97	
Municipal Land Use Law (N.J.S. 40:55D-1):						
Planning Board						
Salaries and Wages	6,800.00	6,800.00	6,589.86		210.14	
Other Expenses	31,450.00	27,450.00	18,658.44	20.94	8,770.62	
Environmental Commission (RS 40:56A-1, et seq)						
Salaries and Wages	1,200.00	1,200.00	1,134.13		65.87	
Other Expenses	2,500.00	2,500.00	1,140.27		1,359.73	
Recycling Program						
Salaries and Wages	230.00	230.00	230.00		-	
Other Expenses	6,300.00	6,300.00	5,679.40		620.60	
Insurance						
Liability Insurance	40,253.00	40,253.00	35,261.00		4,992.00	
Workers Compensation Insurance	101,278.00	101,278.00	101,278.00		-	
Employees Group Insurance	276,000.00	276,000.00	236,273.58		39,726.42	
Health Benefit Waiver - Buy Back	8,500.00	8,500.00	7,000.00		1,500.00	
PUBLIC SAFETY						
Police						
Salaries and Wages	395,000.00	395,000.00	308,447.51		86,552.49	
Other Expenses	30,850.00	31,850.00	27,507.97	3,033.64	1,308.39	
Acquisition of Police Car	37,000.00	32,000.00	28,458.80		3,541.20	
First Aid Organization - Contribution	18,500.00	18,500.00	2,963.73		15,536.27	
SFSP Appropriation to Fire Districts	1,863.00	1,863.00	1,863.00		-	
Animal Control Officer						
Salaries and Wages	500.00	500.00	269.22		230.78	
Other Expenses	1,000.00	1,000.00	-		1,000.00	
Emergency Management Services						
Salaries and Wages	5,000.00	5,000.00	5,000.00		-	
Other Expenses	1,000.00	1,000.00	-		1,000.00	

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2014

	Appropriations		Expended		Reserved	Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered		
STREETS AND ROADS						
Road Repair and Maintenance						
Salaries and Wages	256,000.00	253,500.00	238,997.15		14,502.85	
Other Expenses	54,250.00	70,250.00	58,800.48	10,465.14	984.38	
Vehicle Maintenance						
Other Expenses	21,500.00	30,000.00	23,009.67	1,991.00	4,999.33	
HEALTH AND WELFARE						
Board of Health						
Salaries and Wages	4,950.00	4,950.00	4,615.00		335.00	
Other Expenses	300.00	300.00	85.00		215.00	
RECREATION AND EDUCATION						
Parks and Playgrounds						
Other Expenses	30,000.00	34,000.00	30,456.26	103.31	3,440.43	
Senior Citizens Programs						
Other Expenses	1,000.00	1,000.00	1,000.00		-	
UNCLASSIFIED						
Utilities						
Electricity	28,000.00	28,000.00	17,376.40		10,623.60	
Street Lighting	95,000.00	95,000.00	81,311.53		13,688.47	
Telephone	12,000.00	12,000.00	9,022.52	(92.99)	3,070.47	
Natural Gas	8,000.00	8,000.00	6,090.90		1,909.10	
Telecommunications Costs	1,500.00	1,500.00	1,019.88		480.12	
Gasoline	85,000.00	85,000.00	64,992.64		20,007.36	
APPROPRIATIONS OFFSET BY DEDICATED REVENUES						
State Uniform Construction Official						
Salaries and Wages	135,500.00	135,500.00	134,169.60		1,330.40	
Other Expenses	4,900.00	4,900.00	4,236.79	17.20	646.01	
Property Maintenance Code Enforcement						
Other Expenses	15,000.00	6,500.00	2,916.00		3,584.00	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
DEFERRED CHARGES:						
Prior Year Bills - Court Expense to North Hanover Twship.	15,226.32	15,226.32	15,226.32		-	
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	56,265.00	56,265.00	56,265.00		-	
Social Security System (O.A.S.I.)	132,543.01	120,543.01	107,893.25		12,649.76	
Police and Firemen's Retirement System of N.J.	164,685.00	164,685.00	164,685.00		-	
Defined Contribution Retirement Program	1,000.00	1,000.00	-		1,000.00	
Unemployment Compensation	10,000.00	10,000.00	-		10,000.00	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	2,599,193.33	2,599,193.33	2,238,955.35	27,990.00	332,247.98	-
Detail:						
Salaries and Wages	1,022,180.00	1,019,680.00	911,389.44	-	108,290.56	-
Other Expenses	1,577,013.33	1,579,513.33	1,327,565.91	27,990.00	223,957.42	-

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2014

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
OPERATIONS EXCLUDED FROM "CAPS":						
PUBLIC SAFETY						
General Government						
Length of Service Award Program						
Other Expenses	10,000.00	10,000.00	6,650.00		3,350.00	
Aid to Crosswicks Library	18,000.00	18,000.00	18,000.00		-	
Reserve for Tax Appeals Refunds	10,000.00	10,000.00	10,000.00		-	
APPROPRIATION "CAP" WAIVER PER N.J.S.A. 40A:4-45.3ee						
Public Safety:						
Police						
Salaries and Wages	423,950.00	423,950.00	423,950.00		-	
Ambulance Service						
Contractual	80,500.00	80,500.00	74,015.00		6,485.00	
Total Other Operations - Excluded from "CAPS"	542,450.00	542,450.00	532,615.00	-	9,835.00	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
North Hanover Township - Municipal Court	135,000.00	135,000.00	93,314.07		41,685.93	
Total Interlocal Municipal Service Agreements	135,000.00	135,000.00	93,314.07	-	41,685.93	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Matching Funds for Grants	3,412.50	3,412.50	3,026.00		386.50	
Municipal Drug Alliance						
Other Expenses (C.159 \$12,104.00)	6,750.00	18,854.00	18,854.00		-	
Matching Funds	1,687.50	1,687.50	1,687.50		-	
Safe and Secure Communities Program:						
Police						
Salaries and Wages (C.159 \$25,000.00)	-	25,000.00	25,000.00		-	
Drunk Driving Enforcement Fund (C.159 \$1,937.95)	2,296.01	4,233.96	4,233.96		-	
Recycling Tonnage Grant	2,414.03	2,414.03	2,414.03		-	
Clean Communities Program (C.159 \$11,876.79)	-	11,876.79	11,876.79		-	
Body Armor Program (C.159 \$1,427.86)	1,755.82	3,183.68	3,183.68		-	
Alcohol Education & Rehabilitation	158.32	158.32	158.32		-	
Bulletproof Vest Partnership Grant (C.159 \$1,141.63)	-	1,141.63	1,141.63		-	
Total Public & Private Programs Offset by Revenues	18,474.18	71,962.41	71,575.91	-	386.50	-
Total Operations Excluded from "CAPS"	695,924.18	749,412.41	697,504.98	-	51,907.43	-
Detail:						
Salaries and Wages	423,950.00	448,950.00	448,950.00	-	-	-
Other Expenses	271,974.18	300,462.41	248,554.98	-	51,907.43	-

TOWNSHIP OF CHESTERFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES
STATUTORY BASIS
2014

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
CAPITAL IMPROVEMENTS						
Burlington County Parks Program -						
Recreation Building (C.159 \$125,000.00)	-	125,000.00	125,000.00		-	
CDBG - Handicap Lift (C.159 \$70,000.00)	-	70,000.00	70,000.00		-	
Total Capital Improvements	-	195,000.00	195,000.00	-	-	-
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	105,000.00	105,000.00	105,000.00		-	
Interest on Bonds	104,000.00	104,000.00	103,662.23		0.00	337.77
Total Municipal Debt Service	209,000.00	209,000.00	208,662.23	-	0.00	337.77
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL						
Deferred Charges:						
Deferred Charges to Future Taxation Unfunded:						
Fenton Lane Sanitary Sewer - 2005-5	745.26	745.26	745.26		-	
Acquisition of Equipment - 2003-2	191.91	191.91	191.91		-	
Acquisition of Dump Truck - 2006-11	330.00	330.00	330.00		-	
Total Deferred Charges & Statutory Expenditures - Municipal	1,267.17	1,267.17	1,267.17	-	-	-
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"	906,191.35	1,154,679.58	1,102,434.38	-	51,907.43	337.77
SUB-TOTAL GENERAL APPROPRIATIONS	3,505,384.68	3,753,872.91	3,341,389.73	27,990.00	384,155.41	337.77
Reserve for Uncollected Taxes	450,000.00	450,000.00	450,000.00		-	
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,955,384.68</u>	<u>\$ 4,203,872.91</u>	<u>\$ 3,791,389.73</u>	<u>\$ 27,990.00</u>	<u>\$ 384,155.41</u>	<u>\$ 337.77</u>
Budget		3,955,384.68				
Emergency Appropriation		-				
Appropriation by N.J.S. 40A:4-87		248,488.23			Canceled	337.77
					Overexpended	-
		<u>\$ 4,203,872.91</u>				<u>\$ 337.77</u>

ANALYSIS OF PAID OR CHARGED:

Reserve for Uncollected Taxes	450,000.00
Reserve for Tax Appeals	10,000.00
Due to General Capital Fund:	
Deferred Charges to Future Taxation Unfunded	1,267.17
Reserve for State and Federal Grant Funds	266,575.91
Cash Disbursed	3,063,546.65
	<u>\$ 3,791,389.73</u>

TOWNSHIP OF CHESTERFIELD
TRUST FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2014

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>ASSETS</u>			
Dog License Fund:			
Cash	B-1	\$ 12,589.21	\$ 13,524.62
		<u>\$ 12,589.21</u>	<u>\$ 13,524.62</u>
Other Funds:			
Cash	B-1	\$ 1,632,666.28	\$ 1,531,576.88
Due from Current Fund	A	-	3,758.59
Due from Payroll Fund	E	1,566.41	1,566.41
		<u>\$ 1,634,232.69</u>	<u>\$ 1,536,901.88</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund:			
Reserve for Dog Fund Expenditures	B-2	\$ 12,349.68	\$ 13,342.78
Due to State of New Jersey	B-1	1.20	1.20
Due to Current Fund	A	180.64	180.64
Due to Payroll Fund	E	57.69	-
		<u>\$ 12,589.21</u>	<u>\$ 13,524.62</u>
Other Funds:			
Due to Current Fund	A	\$ 5,241.41	\$ -
Due to Sewer Operating Fund		110.00	110.00
Tax Sale Premiums		15,800.00	22,600.00
Reserve for Community Development Block Grant			
Reserve for Escrow Deposits		754,126.47	780,602.11
Reserve for Unemployment Compensation Insurance		8,330.91	18,772.23
Reserve for TDR Credits - Turnpike		168,750.00	168,750.00
Reserve for Public Defender Fees		10,219.39	7,955.89
Reserve for Police Outside Duty		102,470.54	58,770.54
Reserve for Basin Maintenance		435,285.99	435,285.99
Reserve for Municipal Drug Alliance		35,256.40	29,078.94
Reserve for Snow		19,000.00	9,000.00
Reserve for Police Donations		1,101.00	1,101.00
Reserve for Housing Trust		15,693.56	4,875.18
Reserve for Ad Book -Community Grant		1,371.72	-
Reserve for Donations - Landscaping & Trees		60,000.00	-
Reserve for POAA - Parking Fines		10.00	-
Reserve for Memorial Bricks		1,420.87	-
Reserve for Open Public Records Request		44.43	-
		<u>\$ 1,634,232.69</u>	<u>\$ 1,536,901.88</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
STATUTORY BASIS
2014

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 959,584.87	\$ 827,928.47
Deferred Charges to Future Taxation - Funded	C	2,270,000.00	2,375,000.00
Deferred Charges to Future Taxation - Unfunded	C-3	1,129,720.87	2,487,588.04
Grants Receivable	C-12	621,500.00	626,274.65
Due From Current Fund	C-8	955,631.75	2,145,324.02
TOTAL ASSETS		\$ 5,936,437.49	\$ 8,462,115.18
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-6	\$ 2,270,000.00	\$ 2,375,000.00
Reserve for Encumbrances	C-5	320,473.06	21,254.00
Improvement Authorizations:			
Funded	C-5	891,376.09	1,038,745.03
Unfunded	C-5	529,178.03	2,486,320.87
Capital Improvement Fund	C-4	186,169.42	122,649.67
Reserve for Recreation Improvements - Unappropriated	C-10	437,943.31	494,741.41
Reserve for Transportation Improvements - Unappropriated	C-11	91,823.15	34,524.94
Reserve for Grants Receivable	C-12	621,500.00	626,274.65
Reserve for Open Space	C-13	367,351.39	404,351.39
Reserve to Pay Debt Service	C-14	16,320.00	22,917.74
Due to Sewer Utility	C-9	-	724,000.00
Fund Balance	C-1	204,303.04	111,335.48
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 5,936,437.49	\$ 8,462,115.18

There were bonds and notes authorized but not issued on December 31, 2014 in the amount of \$1,129,720.87 and on December 31, 2013 in the amount of \$2,487,588.04 as shown on Exhibit C-15.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
STATUTORY BASIS
2014

Balance December 31, 2013	\$ 111,335.48
Increased By:	
Funded Improvement Authorizations Canceled	<u>99,967.56</u>
	211,303.04
Decreased By:	
Improvement Authorizations Funded 2014-18	<u>7,000.00</u>
Balance December 31, 2014	<u><u>\$ 204,303.04</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
2014

D

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>ASSETS</u>			
Operating Fund:			
Cash	D-5	\$ 4,360,085.66	\$ 3,603,213.73
Due From Other Trust Fund	B	110.00	110.00
Due From General Capital Fund	C	-	724,000.00
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-9	34,818.63	44,336.23
Total Sewer Operating Fund		4,395,014.29	4,371,659.96
Capital Fund:			
Fixed Capital Authorized & Uncompleted	D-10	5,790,000.00	5,700,000.00
Fixed Capital	D-7	19,495.00	19,495.00
Due From Sewer Operating Fund	D-8	1,514,425.53	1,514,425.53
Total Sewer Capital Fund		7,323,920.53	7,233,920.53
Total Sewer Utility Fund		\$ 11,718,934.82	\$ 11,605,580.49
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4; D-14	\$ 47,502.58	\$ 37,311.45
Accounts Payable	D-4; D-14	2,010.38	-
Reserve for Encumbrances	D-4	49,156.10	1,566.90
Accrued Interest on Bonds and Notes	D-17	28,836.46	32,065.63
Due To Current Fund	A	3,336.18	1,295.91
Due To Sewer Capital Fund	D-8	1,514,425.53	1,514,425.53
Due To Payroll Trust	E	1,853.29	1,853.29
Total Reserves and Liabilities		1,647,120.52	1,588,518.71
Reserve for Receivables	D	34,818.63	44,336.23
Fund Balance	D-1	2,713,075.14	2,738,805.02
Total Sewer Operating Fund		4,395,014.29	4,371,659.96
Capital Fund:			
NJ Environmental Infrastructure Trust Payable	D-13	2,516,141.32	2,815,228.87
Improvement Authorizations:			
Funded	D-11	1,112,785.53	1,022,785.53
Reserve for Treatment Plant Improvements	D-6	400,000.00	400,000.00
Deferred Reserve For Amortization	D-12	3,215,498.68	2,826,411.13
Reserve For Amortization	D-16	19,495.00	19,495.00
Capital Improvement Fund	D-15	50,505.00	140,505.00
Fund Balance	D-2	9,495.00	9,495.00
Total Capital Fund		7,323,920.53	7,233,920.53
Total Sewer Utility Fund		\$ 11,718,934.82	\$ 11,605,580.49

These were bonds and notes authorized but not issued on December 31, 2014 and 2013 in the amount of \$58,360.00.

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS
2014

	Year 2014	Year 2013
<u>REVENUES AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 195,800.00	\$ 127,650.00
Rents	363,709.22	338,841.13
Miscellaneous	58,407.41	44,507.97
Connection Fees	147,925.00	201,275.00
Non-Budget Revenue	-	110.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	844.37	16,804.79
	<u>766,686.00</u>	<u>729,188.89</u>
Total Income	<u>766,686.00</u>	<u>729,188.89</u>
<u>EXPENDITURES</u>		
Operating	220,600.00	177,000.00
Debt Service	372,815.88	377,682.92
Deferred Charges and Statutory Expenditures	3,200.00	1,650.00
	<u>596,615.88</u>	<u>556,332.92</u>
Total Expenditures	<u>596,615.88</u>	<u>556,332.92</u>
Excess (Deficit) In Revenue	170,070.12	172,855.97
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	170,070.12	172,855.97
Fund Balance - January 1	2,738,805.02	2,693,599.05
	<u>2,908,875.14</u>	<u>2,866,455.02</u>
Decreased By:		
Utilization as Anticipated Revenue	195,800.00	127,650.00
	<u>195,800.00</u>	<u>127,650.00</u>
Fund Balance - December 31	<u>\$ 2,713,075.14</u>	<u>\$ 2,738,805.02</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
STATUTORY BASIS
2014

Balance - December 31, 2013 and 2014

\$ 9,495.00

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
2014

	Anticipated Budget	Realized	Excess Or (Deficit)
Surplus Anticipated	\$ 195,800.00	\$ 195,800.00	\$ -
Sewer Rents	338,000.00	363,709.22	25,709.22
Miscellaneous	44,000.00	58,407.41	14,407.41
Connection Fees	40,000.00	147,925.00	107,925.00
BUDGET TOTALS	617,800.00	765,841.63	148,041.63
Non-Budget Totals	-	-	-
TOTAL REVENUES	\$ 617,800.00	\$ 765,841.63	\$ 148,041.63

MISCELLANEOUS REVENUE:

Interest Income	\$ 38,302.53
Penalties on Delinquent Payments	4,891.90
Other	15,212.98
	<u>\$ 58,407.41</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
2014

	APPROPRIATIONS		EXPENDED			Balance Canceled	Overexpended
	Budget	Budget After Modification	Paid Or Charged	Encumbrances	Reserved		
Operating							
Salaries and Wages	\$ 41,000.00	\$ 41,000.00	\$ 34,319.83		\$ 6,680.17	\$ -	
Other Expenses	179,600.00	179,600.00	90,497.74	49,156.10	39,946.16	-	
	220,600.00	220,600.00	124,817.57	49,156.10	46,626.33	-	-
Debt Service:							
Payment of Bond Principal	300,000.00	300,000.00	299,087.55		-	912.45	
Interest on Bonds	94,000.00	94,000.00	73,728.33		-	20,271.67	
Total Debt Service	394,000.00	394,000.00	372,815.88	-	-	21,184.12	-
Deferred Charges & Statutory Expenditures:							
Statutory Expenditures:							
Contribution To:							
Social Security System (OASI)	3,200.00	3,200.00	2,323.75		876.25	-	
	3,200.00	3,200.00	2,323.75	-	876.25	-	-
Total Budget	\$ 617,800.00	\$ 617,800.00	\$ 499,957.20	\$ 49,156.10	\$ 47,502.58	\$ 21,184.12	\$ -
Budget		<u>\$ 617,800.00</u>					

Analysis of Paid or Charged

Interest on Bonds	73,728.33
Due to Current Fund	2,040.27
Cash Disbursed	424,188.60
	<u>\$ 499,957.20</u>

TOWNSHIP OF CHESTERFIELD
 PAYROLL FUND
 COMPARATIVE BALANCE SHEET
 STATUTORY BASIS
 2014

	Ref.	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>ASSETS</u>			
Cash	E-1	\$ 34,003.02	\$ 31,936.30
Due Animal Control Fund	B	57.69	-
Due Sewer Operating Fund	D	1,853.29	1,853.29
		<u>\$ 35,914.00</u>	<u>\$ 33,789.59</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due Current Fund	A	\$ 2,083.04	\$ 2,083.04
Due Other Trust Fund	B	1,566.41	1,566.41
Payroll Taxes Payable		32,264.55	30,140.14
		<u>\$ 35,914.00</u>	<u>\$ 33,789.59</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
STATUTORY BASIS
2014

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
General Fixed Assets:		
Land	\$ 3,682,445.00	\$ 3,682,445.00
Buildings	574,285.00	574,285.00
Improvements Other than Buildings	127,500.00	127,500.00
Machinery and Equipment	<u>1,486,187.36</u>	<u>1,368,842.86</u>
Total General Fixed Assets	<u>\$ 5,870,417.36</u>	<u>\$ 5,753,072.86</u>
 Investment in General Fixed Assets	 <u>\$ 5,870,417.36</u>	 <u>\$ 5,753,072.86</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

The accounting policies of the Township of Chesterfield conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices 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. Under this method of accounting, the Township of Chesterfield accounts for its financial transactions through the following separate funds. This fund structure is not intended to present financial information in accordance with generally accepted accounting principles (GAAP).

Current Fund - Resources and expenditures for governmental operations of general nature, including Federal and State grant funds.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund. This fund is also used to account for current fund debt authorized.

Payroll Fund - Receipts and disbursement of funds to cover salary and wage expense and related payroll deductions and payroll taxes.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

General Fixed Assets Account Group - Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP requires the use of governmental fund types, proprietary fund types, and fiduciary fund types and capital assets are reported in government-wide financial statements.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Under GAAP however, governmental fund-based financial statements are based on the modified accrual accounting basis and the flow of current financial resources. Government-wide financial statements are based on the accrual basis of accounting and on a flow of all economic resources.

Revenues - Revenues are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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.

Revenues are recognized under GAAP when they become both measurable and available.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts that 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. 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.

Expenditures are recognized under GAAP in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the local school district and the regional school district. Expenditures are recorded for the full amount paid to the school districts from January 1 to December 31.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Burlington. Expenditures are recorded 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.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Asset Account Group at the lower of cost or fair market value.

Interfunds - 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. GAAP does not require the establishment of offsetting reserves by charges to operations for Current Fund interfunds receivable. Revenues would not be recognized in the year of liquidation.

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 balance sheets. GAAP requires current fund inventories on hand at the close of the year to be reported on the balance sheet and offset by a fund balance reserve.

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 al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years. GAAP does not recognize deferred charges for amounts expended in excess of budgeted or for emergency appropriations.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts that 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. GAAP does not provide for the reservation of unexpended budget appropriations.

Reserve for Uncollected Taxes - The Reserve for Uncollected Taxes is a non-spending budget appropriation. The amount is calculated based on the percentage of taxes collected in the preceding year. The inclusion of the Reserve for Uncollected Taxes in the amount to be raised by taxes assures the Township, based on its prior year collection percentage, it will collect enough taxes to pay its current year obligations. A Reserve for Uncollected Taxes is not provided under GAAP.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets - Property and equipment purchased by the current and the general capital funds are recorded as expenditures at the time of purchase and are not capitalized.

The Township has developed a fixed assets accounting system in accordance with Technical Accounting Directive No. 85-2, "Accounting for Governmental Fixed Assets", as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants-in-aid or contributed capital, have not been accounted for separately.

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

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.

Property Taxes

Assessment of Tax: New Jersey statutes require that taxable valuation of real property be prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

by the Township, Regional and Local School Districts and the County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts. Pursuant to stature, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Tax Collector on or before May 13th.

Collection of Tax: Tax bills are prepared and mailed by the Collector of Taxes of the Township of Chesterfield annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid. GAAP requires the amount that would normally be liquidated with expendable available financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Note 2: CASH AND INVESTMENTS

Deposits - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as (Cash).

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to adopt a cash management plan and shall deposit or invest, or both deposit and invest its funds pursuant to that plan. Deposits of public funds are permitted 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 the New Jersey Cash Management Fund.

The Township deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 2: CASH AND CASH INVESTMENTS (Continued)

Public funds are defined as the funds of any government unit. Public depositories include Savings and Loan Institutions, banks (both State and National Banks) and savings banks where deposits of which are federally insured. All public depositories must pledge collateral, having a market value of 5% 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 full amount of their deposits to the government units.

At December 31, 2014, the carrying value of cash of the Township consisted of the following:

	<u>Total</u>
Interest Bearing Demand Deposits	\$ 11,130,333.32
NJ Cash Management Fund	251,251.85
Developer Funds	<u>642,290.03</u>
	<u>\$ 12,023,875.20</u>

Cash available to earn interest was placed in the NJ Cash Management Fund or interest bearing accounts. The carrying amount of cash at December 31, 2014 was \$12,023,875.20 and the bank balance was \$13,132,517.17. Of the bank balance, \$750,000 was covered by federal depository insurance and \$12,382,517.17 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Investments - New Jersey Statutes establish the following securities as eligible for the investment of the Township of Chesterfield's funds:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Government money market mutual funds.
3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
5. Local government investment pools.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Agreements for the repurchase of fully collateralized securities, subject to conditions.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 2: CASH AND CASH INVESTMENTS (Continued)
Investments (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure.

Credit Risk: Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The Township has no policy on credit risk

Concentration of Credit Risk: The Township places no limit on the amount that may be invested in any one issuer.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

Summary of Municipal Debt

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 2,270,000	\$ 2,375,000	\$ 578,000
Sewer Utility:			
Bonds, Notes and Loans	2,516,140	2,815,229	3,111,230
Total Issued	4,786,140	5,190,229	3,689,230
Less:			
General:			
Cash Pledged to pay Bonds and Notes	-	-	-
	<u>4,786,140</u>	<u>5,190,229</u>	<u>3,689,230</u>
 <u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	1,129,721	2,487,588	5,143,817
Sewer Utility:			
Bonds and Notes	58,360	58,360	58,360
Total Authorized But Not Issued	<u>1,188,081</u>	<u>2,545,948</u>	<u>5,202,177</u>
Total Municipal Bonds, Notes and Loans			
Issued and Authorized But Not Issued	<u>\$ 5,974,221</u>	<u>\$ 7,736,177</u>	<u>\$ 8,891,407</u>

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is presented in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of 2.872%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 35,635,000	\$17,875,745	\$17,759,255
Regional School District Debt	4,866,310	4,866,310	-
Sewer Utility Debt	2,574,501	2,574,501	-
General Debt	3,399,721	626,275	2,773,446
Totals	<u>\$ 46,475,532</u>	<u>\$25,942,831</u>	<u>\$20,532,701</u>

Net Debt is \$20,532,701 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$715,029,814 = 2.872%.

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

3-1/2% of Equalized Valuation Basis	\$ 25,026,043
Municipal Net Debt	<u>20,532,701</u>
Remaining Borrowing Power	<u>\$ 4,493,342</u>

Calculation of Self Liquidating Purpose, Sewer Utility Per N.J.S.A 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the Year	\$ 765,842
Deductions:	
Operating and Maintenance Costs	223,800
Debt Service Per Sewer Operating Fund	<u>372,816</u>
	<u>596,616</u>
Excess in Revenue	<u>\$ 169,226</u>

The foregoing debt information is in agreement with the annual debt statement as filed by the chief financial officer as amended.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (Continued)

Description of Bonds and Loans Payable

Refunding Bonds- General Obligation Refunding Bonds were issued for \$485,000 dated March 11, 2013 to refund the remaining balance of the 2003 bonds then outstanding. Final maturity of the bonds is due December 1, 2023 with interest rates varying from 2.0% to 5.00%.

General Obligation Bonds- General Obligation Bonds were issued for \$1,960,000 dated March 11, 2013 to fund various improvements. Final maturity of the bonds is due December 1, 2032 with interest rates varying from 2.0% to 5.00%.

Sewer Utility Bonds- Sewer Utility General Obligation Bonds were issued for \$2,250,000 dated May 10, 2001 and \$2,214,872 dated October 15, 2001 to finance the construction of a new sewer collection system. Final maturity of the bonds is due March 1, 2021 with interest rates varying from 0.00% to 5.50%.

Sewer Utility Bonds- Sewer Utility General Obligation Bonds were issued for \$1,215,638 dated October 15, 2003 to finance improvements to Wagner Wastewater Treatment Plant. Final maturity of the bonds is due March 1, 2021 with interest rates varying from 0.00% to 5.50%.

Changes In Long-Term Debt

General Capital Fund Debt

Purpose	Interest Rate or Range	Balance		Retired	Balance	
		Dec. 31, 2013	Issued		Dec. 31, 2013	
Refunding Bonds - 2013	2.0%-5.0%	\$ 480,000	\$ -	\$ 40,000	\$ 440,000	
General Improvements - 2013	2.0%-5.0%	1,895,000	-	65,000	1,830,000	
Total		\$ 2,375,000	\$ -	\$ 105,000	\$ 2,270,000	

Sewer Utility Fund Debt

Purpose	Interest Rate or Range	Balance		Retired	Balance	
		Dec. 31, 2013	Issued		Dec. 31, 2013	
Sewer Collection System - 2001	0%-5.50%	\$ 2,140,787	\$ -	\$ 240,223	1,900,564	
Sewer Treatment Plant Expansion - 2003	0%-5.50%	674,442	-	58,864	615,578	
Total		\$ 2,815,229	\$ -	\$ 299,087	\$ 2,516,142	

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

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

Calender Year	General		Sewer		Total
	Principal	Interest	Principal	Interest	
2015	105,000	101,563	318,562	69,208	594,333
2016	115,000	98,412	321,616	61,058	596,086
2017	120,000	94,963	324,514	52,658	592,135
2018	120,000	90,162	335,334	43,938	589,434
2019	130,000	84,162	345,760	34,700	594,622
2020-2024	690,000	316,812	870,354	45,738	1,922,904
2025-2029	600,000	158,613	-	-	758,613
2030-2032	390,000	26,325	-	-	416,325
	\$ 2,270,000	\$ 971,012	\$ 2,516,140	\$ 307,300	\$ 6,064,452

Note 4: FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 12/31/13	Increase	Decrease	Balance 12/31/14
Land	\$ 3,682,445	\$ -	\$ -	\$ 3,682,445
Buildings	574,285	-	-	574,285
Improvements Other than Building	127,500	-	-	127,500
Equipment	1,368,843	117,344	-	1,486,187
Totals	\$ 5,753,073	\$ 117,344	\$ -	\$ 5,870,417

Note 5: SCHOOL TAXES

Local district school taxes and regional high school taxes have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Local District</u> <u>School Tax</u>		<u>Regional High</u> <u>School Tax</u>	
	Balance Dec. 31, 2014	Balance Dec. 31, 2013	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Balance of Tax	\$ 4,585,977	\$ 4,200,242	\$ 2,306,447	\$ 2,203,985
Deferred	4,585,977	4,200,242	2,183,601	2,088,058
Tax Payable	\$ -	\$ -	\$ 122,846	\$ 115,927

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 6: FUND BALANCE APPROPRIATED

Fund balance at December 31, 2014 has been appropriated and included as anticipated revenue for the year ended December 31, 2015 was as follows:

	Fund Balance Dec. 31, 2014	Anticipated In 2015 Budget
Current Fund	\$ 2,415,616	\$ 1,130,000
General Capital Fund	204,303	-
Sewer Utility Fund	2,713,075	244,500
Sewer Utility Capital Fund	9,495	-

Note 7: PENSIONS

Plan Description

Employees who are eligible for a pension plan, are enrolled in one of two cost sharing multiple-employer public employee retirement systems: The Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) administered by the Division of Pensions, Treasury Department of the State of New Jersey. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. Township employees are also covered by the Federal Insurance Contribution Act, other than certain policemen.

Funding Policy

The contributions policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and PFRS. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In PERS, the employer contribution includes funding for post-retirement medical premiums. The Township's contributions were made as follows, equal to the required amounts.

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 7: PENSIONS (Continued)

Funding Policy – (Continued)

Year	PERS		PFRS	
	Employer Contributions	% of Covered	Employer Contributions	% of Covered
	Amount	Payroll	Amount	Payroll
2014	\$ 56,265	9.68%	\$ 164,685	35.24%
2013	66,080	12.02%	182,364	35.26%
2012	67,503	12.45%	163,398	24.30%

	PERS				PFRS			
	Normal Contribution	Accrued Liability	NCGI Premium	Total	Normal Contribution	Accrued Liability	NCGI Premium	Total
2014	10,252	45,072	941	56,265	59,948	98,683	6,054	164,685
2013	18,392	43,976	3,712	66,080	75,378	99,753	7,233	182,364
2012	21,153	42,307	4,043	67,503	74,161	83,463	5,774	163,398

Note 8: ACCRUED VACATION AND SICK BENEFITS

The Township has a policy that permits employees to accrue unused sick leave. It is estimated that the current costs of such unpaid compensation would approximate \$222,000 if taken at current pay rates.

GASB No. 16 requires the accrual of the liability for compensated absences to the extent it is probable that the employer will compensate the employee for the benefits through cash payments conditioned on the employees' termination or retirement. The Township's sick leave policy allows an employee to be compensated for unused sick leave at retirement in an amount not to exceed \$2,500. The estimated liability under this sick leave buyout (including related payroll taxes) is \$48,307 as of December 31, 2014. The financial statements do not reflect expenditures or liabilities for compensated absences.

Note 9: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in of the past three fiscal years. There was no reduction in commercial coverage during the year.

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

TOWNSHIP OF CHESTERFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 9: RISK MANAGEMENT – (Continued)

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

Fiscal Year Ending	Township Contributions	Employee Contributions	Amount Reimbursed	Balance
2014	\$ -	\$ 2,299	\$ 12,740	\$ 9,154
2013	-	2,278	20,370	19,595
2012	-	2,166	1,908	39,964

Note 10: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by Nationwide Retirement Solutions permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan is administered by an independent plan administrator through an administrative service agreement. The Township's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. Therefore, the financial activity of these plans is not reported in the Township's Trust Fund.

Note 11: CONTINGENT LIABILITIES

Litigation

The Township is the defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements.

Note 12: Subsequent Events

On March 25, 2015, the governing body authorized the construction of a new municipal building amounting to \$5,200,000, authorizing debt of \$4,940,000 along with the acquisition of various equipment for \$200,000, authorizing debt of \$190,000. On March 18, 2015 the governing body authorized the issuance of \$4,615,000 of School Refunding Bonds.

* * * * *

APPENDIX C

FORM OF BOND COUNSEL OPINION

June 1, 2016

Mayor and Township Committee
of the Township of Chesterfield
300 Bordentown-Chesterfield Road
Chesterfield, New Jersey

**RE: \$6,365,000 TOWNSHIP OF CHESTERFIELD, COUNTY OF
BURLINGTON, NEW JERSEY, GENERAL OBLIGATION BONDS,
SERIES 2016**

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds") by the Township of Chesterfield, County of Burlington, New Jersey ("Township").

The Bonds are authorized pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Committee and published in accordance with the Local Bond Law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Committee on April 28, 2016 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on May 11, 2016 ("Award Certificate").

The Bonds are dated their date of delivery, mature on May 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum in the table below, payable semi-annually on May 15 and November 15, commencing May 15, 2017, in each year until maturity or earlier redemption.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$125,000	%	2032	\$200,000	%
2018	150,000		2033	250,000	
2019	155,000		2034	250,000	
2020	160,000		2035	250,000	
2021	165,000		2036	250,000	
2022	170,000		2037	250,000	
2023	175,000		2038	250,000	
2024	200,000		2039	250,000	
2025	200,000		2040	250,000	
2026	200,000		2041	250,000	
2027	200,000		2042	250,000	
2028	200,000		2043	250,000	
2029	200,000		2044	250,000	
2030	200,000		2045	250,000	
2031	200,000		2046	215,000	

The Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to maturity as stated therein.

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, inter alia, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Resolution, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments, certifications and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

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

1. The Bonds are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
2. For the payment of principal and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
3. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and is not a specific item of tax preference item under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals and corporations pursuant to Section 55 of the Code.

The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the "adjusted current earnings" of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction).

Interest on tax-exempt obligations, including the Bonds, is not excludable in calculating certain corporation's "adjusted current earnings." Accordingly, a portion of the interest on the Bonds received or accrued by a corporation that owns the Bonds is included in computing such corporation's alternative minimum taxable income for such year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section

265(b)(3) of the Code. The Township has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

Owners of the Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of June, 2016 between the Township of Chesterfield, County of Burlington, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2016, in the aggregate principal amount of \$6,365,000 ("Bonds").

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean, the Township's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean Phoenix Advisors LLC, Bordentown, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township a written acceptance of such designation.

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Official Statement" shall mean the Official Statement of the Township, dated May 11, 2016, relating to the Bonds.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the Township.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2016). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant and/or registered municipal accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) the general financial information and operating data of the Township consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles,

standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

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

(b) The Township shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13) or (14) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

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

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the Township under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Township chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Agreement. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. The sole remedy under this Disclosure Agreement in the event of any failure of the Township to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the Township:

Township of Chesterfield
300 Bordentown-Chesterfield Road
Chesterfield, New Jersey 08515
Attention: Chief Financial Officer

- (ii) If to the Dissemination Agent:

Phoenix Advisors, LLC
4 West Park Street
Bordentown, New Jersey 08505
Attention: Sherry L. Tracey, Senior Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

TOWNSHIP OF CHESTERFIELD, NEW JERSEY

By: _____
WENDY A. WULSTEIN, Chief Financial Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By: _____
SHERRY L. TRACEY, Senior Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Chesterfield, County of Burlington, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2016

Date of Issuance of the Affected
Bond Issue: June __, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated June __, 2016, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated:_____

PHOENIX ADVISORS, LLC,
as Dissemination Agent

cc: Township of Chesterfield, New Jersey