

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 5, 2016**

**NEW ISSUE – Book-Entry-Only**

**NOT RATED**

In the opinion of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel, assuming continuing compliance by the Township with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") pertaining to the issuance of the Notes, and subject to certain provisions of the Code which are described herein, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be treated as an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. In the opinion of Bond Counsel, interest on the Notes and gain on the sale thereof are excludable from gross income of the owners thereof under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**\$18,466,831  
TOWNSHIP OF ROBBINSVILLE  
IN THE COUNTY OF MERCER, STATE OF NEW JERSEY  
BOND ANTICIPATION NOTES, SERIES 2016A  
Consisting of:  
\$16,299,331 General Improvement Bond Anticipation Notes  
and  
\$2,167,500 Sewer Utility Bond Anticipation Notes  
INTEREST RATE \_\_\_\_%  
YIELD \_\_\_\_%**

**Dated: Date of Delivery**

**Due: July 27, 2017**

The \$18,466,831 Bond Anticipation Notes, Series 2016A, consisting of \$16,299,331 General Improvement Bond Anticipation Notes and \$2,167,500 Sewer Utility Bond Anticipation Notes (the "Notes") are valid and legally binding general obligations of the Township of Robbinsville, in the County of Mercer, State of New Jersey (the "Township") and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and interest thereon. The principal of and interest on the Notes are payable, if not paid from other sources, from ad valorem taxes to be levied upon all the taxable property within the Township without limitation as to rate or amount. Principal of and interest on the Notes shall be paid at maturity. The Notes will be issued in the form of one certificate for the aggregate principal amount of the Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository. See "THE NOTES-Book-Entry Only System" herein. Individual purchases of the Notes will be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof except, where necessary, also in the amount of \$1,000 (or such other odd denomination where necessary).

The Notes are authorized by and are issued pursuant to: (i) the Local Bond Law, N.J.S.A. 40A: 2-1 et seq., as amended and supplemented (the "Local Bond Law"); and (ii) various bond ordinances as described herein, duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law.

The Notes are not subject to redemption prior to maturity.

The Notes will constitute general obligations of the Township for the payment of the principal of and interest on which the full faith, credit and taxing power of the Township is available, and all the taxable real property within the Township is subject to the levy of ad valorem taxes, without limitation as to rate or amount, for such purposes.

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

The Notes are offered when, as and if issued, and delivered to the purchaser, subject to withdrawal or modification of the offer without notice, to the prior approval of legality by the law firm of Capehart & Scatchard, P.A., Trenton, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its counsel, Mark Roselli, Esq., Hamilton, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey served as Financial Advisor to the Township in connection with the Notes. It is expected that delivery of the Notes in book-entry-only form will be made at DTC in New York, New York on or about July 28, 2016.

**BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE NOTES,  
WILL BE RECEIVED BY THE FINANCIAL ADVISOR, ON BEHALF OF THE TOWNSHIP,  
UNTIL 11:00 A.M. ON JULY 14, 2016, TELECOPIER: (609) 291-9940,  
OR EMAIL: AINVERSO@MUNIADVISORS.COM**

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

---

**MAYOR**

David Fried

---

**TOWNSHIP COUNCIL**

Ronald C. Witt, Jr., President  
Vincent J. Calcagno, Vice-President  
Christine Ciaccio  
Sheree S. McGowan  
Dan Schuberth

---

**TOWNSHIP CHIEF FINANCIAL OFFICER**

Deborah J. Bauer, CMFO

---

**TOWNSHIP BUSINESS ADMINISTRATOR**

Joy Tozzi

---

**TOWNSHIP CLERK**

Michele Seigfried, MMC, CMR

---

**BOND COUNSEL**

Capehart & Scatchard, P.A.  
Trenton, New Jersey

---

**TOWNSHIP COUNSEL**

Mark Roselli, Esq.  
Hamilton, New Jersey

---

**TOWNSHIP AUDITOR**

Holman Frenia Allison P.C.  
Toms River, 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 Notes other than those contained in this document, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this document 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, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein.

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

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

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 Appendices, must be considered in its entirety.

# TABLE OF CONTENTS

INTRODUCTION.....	1
THE NOTES .....	1
General Description.....	1
Book-Entry-Only System .....	2
Discontinuation of Book-Entry-Only System .....	4
Redemption .....	4
AUTHORIZATION AND PURPOSE OF THE NOTES.....	4
SECURITY AND SOURCE OF PAYMENT .....	6
Taxing Power .....	6
PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT .....	6
Local Bond Law .....	6
Local Fiscal Affairs Law .....	7
Local Budget Law .....	8
Miscellaneous Revenues .....	9
Real Estate Taxes .....	9
Deferral of Current Expenses .....	10
Budget Transfers .....	10
Capital Budget.....	10
Related Constitutional and Statutory Provisions .....	10
Rights and Remedies of Owners of Notes .....	11
Limitation of Remedies Under Federal Bankruptcy Code .....	11
TAX MATTERS .....	12
Federal Tax Exemption .....	12
Certain Federal Tax Consequences Relating to the Notes.....	12
Bank Qualification.....	13
IRS Circular 230 Disclosure.....	13
New Jersey Gross Income Tax Exemption.....	13
Basis for Bond Counsel’s Opinion .....	13
Future Events.....	14
LEGALITY FOR INVESTMENT .....	14
INFORMATION REGARDING THE TOWNSHIP.....	14
General .....	14
Financial .....	14
SECONDARY MARKET DISCLOSURE .....	15
LITIGATION .....	16
PREPARATION OF OFFICIAL STATEMENT .....	17
RATING .....	17
UNDERWRITING .....	18
FINANCIAL ADVISOR.....	18
APPROVAL OF LEGAL PROCEEDINGS.....	18
CERTIFICATES OF THE TOWNSHIP .....	18
ADDITIONAL INFORMATION .....	18
MISCELLANEOUS.....	19

APPENDIX A - GENERAL INFORMATION REGARDING THE TOWNSHIP

APPENDIX B - AUDITED FINANCIAL DATA AS OF DECEMBER 31, 2015 AND FOR THE YEAR THEN ENDED

APPENDIX C - FORM OF BOND COUNSEL’S OPINION

**OFFICIAL STATEMENT**  
**Relating to**  
**\$18,466,831**  
**TOWNSHIP OF ROBBINSVILLE**  
**in the County of Mercer, New Jersey**  
**BOND ANTICIPATION NOTES, SERIES 2016A**  
**consisting of:**  
**\$16,299,331 General Improvement Bond Anticipation Notes**  
**and**  
**\$2,167,500 Sewer Utility Bond Anticipation Notes**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Robbinsville (the “Township”), in the County of Mercer, in the State of New Jersey (the “State”) in connection with the sale and issuance of \$18,466,831 Bond Anticipation Notes, Series 2016A consisting of \$16,299,331 General Improvement Bond Anticipation Notes and \$2,167,500 Sewer Utility Bond Anticipation Notes (the “Notes”). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Township.

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

**THE NOTES**

**General Description**

The Notes shall be dated and shall bear interest from their dated date, and will mature on the date and in the amount, as shown on the front cover page hereof. The Notes shall bear interest, which is payable at maturity, at the interest rate set forth on the front cover page hereof. The Notes may be purchased in book-entry-only form in the amount of \$5,000 or any integral multiple thereof, except where necessary, also in the amount of \$1,000 (or such other odd denomination where necessary), through book-entries made on the books and the records of The Depository Trust Company, New York, New York (“DTC”) and its participants. See “Book-Entry-Only System”. The Township will act as the “Note Registrar/Paying Agent” for the Notes.

## **Book-Entry-Only System\***

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

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

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

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

---

\* Source: The Depository Trust Company

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

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

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

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

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

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

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

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

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

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

### **Discontinuation of Book-Entry-Only System**

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

### **Redemption**

The Notes are not subject to redemption prior to maturity.

### **AUTHORIZATION AND PURPOSE OF THE NOTES**

The Notes are authorized and being issued pursuant to the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-1 et seq.), and the acts amendatory thereof and supplemental thereto, and the ordinances of the Township set forth below. Proceeds of the Notes, along with other funds of the Township in the amount of \$337,510, will be used to: (i) refund on a current basis, the \$2,320,000 Sewer Utility Bond Anticipation Note portion of the Township's \$15,158,357 Bond Anticipation Notes, dated July 31, 2015 and due on July 29, 2016 (the "Prior Notes"); (ii) refund, on a current basis, the \$12,838,357 General Improvement Bond Anticipation Note portion of the Prior Notes; and (iii) provide \$3,645,984 in funds for various capital improvements in the Township. The purposes for which the Notes are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described on the following tables below:



**General Improvement Bond Anticipation Notes**

<b><u>Ordinance No.</u></b>	<b><u>Purpose</u></b>	<b><u>Amount of Prior Notes Being Refunded</u></b>	<b><u>Amount of New Money</u></b>
2008-30	Acquisition of office furniture and equipment and construction of improvements to various roads and public buildings.	\$166,643	\$0
2009-28	Acquisition of office furniture and equipment and construction of various improvements to recreation facilities and public buildings.	169,252	0
2010-22	Acquisition of office furniture and equipment, construction of various improvements to recreation facilities and roads and primary land approvals and permits for the finance office located on Washington Boulevard.	1,095,412	0
2011-13	Acquisition of office furniture and equipment and construction of various improvements to the fire department building, Fire Department parking facilities and various roads.	477,341	0
2012-9	Acquisition of office furniture, equipment and construction of various improvements for the Fire Department and various roads.	1,268,766	0
2013-10	Various Capital Improvements.	1,118,150	0
2014-8	Various Capital Improvements - Infrastructure Improvements.	736,250	0
2014-15	Various Capital Improvements.	1,401,060	0
2014-30	Acquisition of Real Property/Construction & Furnishings of New Municipal Building.	2,850,000	0
2015-7	Various Infrastructure Improvements.	593,750	0
2015-12	Various Capital Improvements.	2,776,723	0
2015-22	New Municipal Building	0	1,933,250
2016-8	Various Infrastructure Improvements	0	988,000
2016-10	Furnishing and Equipment for New Muni Building	0	142,500
2016-15	Various Capital Improvements	0	582,234
<b>Total:</b>		<b><u>\$12,653,347</u></b>	<b><u>\$3,645,984</u></b>
<b>Grand Total:</b>			<b><u>\$16,299,331</u></b>

**Sewer Utility Bond Anticipation Notes**

<b><u>Ordinance No.</u></b>	<b><u>Purpose</u></b>	<b><u>Amount of Prior Notes Being Refunded</u></b>
2008-21	Construction of sewer lines along Route 33.	\$127,500
2010-19	Construction of sewer lines along Route 130.	<u>2,040,000</u>
<b>Total:</b>		<b><u>\$2,167,500</u></b>

## SECURITY AND SOURCE OF PAYMENT

### Taxing Power

The Notes are valid and binding general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Notes are direct obligations of the Township and, unless paid from other sources, the Township is required by law to levy ad valorem taxes upon all the real property taxable within the Township for the payment of the principal of and the interest on the Notes without limitation as to rate or amount. Enforcement of a claim for the payment of principal of or interest on Notes or notes of the Township is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission.

## PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

### Local Bond Law

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

**Debt Limits** - The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. As shown in Appendix "A", as of December 31, 2015, the Township has not exceeded its statutory debt limit. The Township will not exceed its statutory debt limit with the issuance of the Notes.

**Exceptions to Debt Limits – Extensions of Credit** - The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit,

the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

## **Local Fiscal Affairs Law**

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

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

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

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities. The Annual Compiled Financial Statement for the most recent fiscal year ended is on file with the Township Clerk and is available for review during business hours.

## **Local Budget Law**

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

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

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

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

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

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

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the

Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, N.J.S.A. 40A:4-45-46) in 2011 no longer permit Municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

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

### **Miscellaneous Revenues**

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

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

### **Real Estate Taxes**

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

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

## **Deferral of Current Expenses**

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

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

## **Budget Transfers**

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

## **Capital Budget**

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

## **Related Constitutional and Statutory Provisions**

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

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

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

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

### **Rights and Remedies of Owners of Notes**

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

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

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

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

### **Limitation of Remedies Under Federal Bankruptcy Code**

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

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of

readjustment of the municipality's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

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

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

## **TAX MATTERS**

### **Federal Tax Exemption**

In connection with the issuance of the Notes, Capehart & Scatchard, P.A., Bond Counsel, will deliver its opinion (the proposed form of which is attached hereto as Appendix C) to the effect that under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes. Furthermore, interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing alternative minimum tax imposed on certain corporations. The Internal Revenue Code of 1986 (the "Code") and the regulations promulgated thereunder contain requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be and remain excludable from gross income for purposes of federal income taxation. Examples include: the requirement that the Township rebate certain excess earnings on proceeds and amounts treated as proceeds of the Notes to the United States Treasury; and restrictions on investment of such proceeds and other amounts; and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the Notes. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the Township subsequent to issuance of the Notes to maintain the exclusion of interest on the Notes from gross income for federal income taxation purposes. Failure to comply with any of such requirements could cause the interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Township with such requirements, and Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Notes.

### **Certain Federal Tax Consequences Relating to the Notes**

Although interest on the Notes is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Notes may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's



particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Notes.

There can be no assurance that legislation will not be introduced or enacted after the issuance and delivery of the Notes so as to affect adversely the exclusion from gross income for federal income tax purposes of interest on the Notes. Each purchaser of the Notes should consult his or her own advisor regarding any changes in the status of pending or proposed federal tax legislation.

### **Bank Qualification**

The Notes **will not be** designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

### **IRS Circular 230 Disclosure**

To ensure compliance with requirements imposed by the Internal Revenue Service, any purchaser of a Note is hereby informed that (i) any U.S. federal tax advice contained in this offering material (including any attachments) is not intended or written by Bond Counsel to the Township to be used, and that it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Code; (ii) such advice is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

### **New Jersey Gross Income Tax Exemption**

In connection with the issuance of the Notes, Bond Counsel will deliver its opinion (the proposed form of which is attached hereto as Appendix "C") that, under existing law, interest on the Notes and the income derived from the sale thereof is excludable from gross income of the owner of the Notes under the New Jersey Gross Income Tax Act.

### **Basis for Bond Counsel's Opinion**

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and

is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinion.

## **Future Events**

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

**EACH PURCHASER OF THE NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, OR COURT DECISIONS.**

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

## **LEGALITY FOR INVESTMENT**

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

## **INFORMATION REGARDING THE TOWNSHIP**

### **General**

The Township is located in the eastern section of the County and comprises 20.7 square miles. 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" to this Official Statement contains certain audited financial statements of the Township for the year ended December 31, 2015. Copies of the entire completed Reports of Audit may be obtained, upon request, to the office of the Township Clerk or EMMA (as defined herein) Platform.

## SECONDARY MARKET DISCLOSURE

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

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

- (i) Principal or interest payment delinquencies on the Notes.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes.
- (vii) Modifications to the rights of Noteholders, if material.
- (viii) Note calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Notes, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the Township.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

During the five year period preceding the date of this Official Statement, the Township previously failed to file, on a timely basis: (i) audited financial statements for the years ending

December 31, 2010 through 2012 and (ii) operating data for the years ending December 31, 2010 through 2012, as required by and in accordance with the Rule for certain outstanding bond issues. The Township previously failed to file material event notices and late filing notices in connection with (i) its audited financial statements; (ii) its operating data; and (iii) certain bond insurer rating changes. Such notices of material events and late filings have since been filed with MSRB's Electronic Municipal Market Access Dataport ("EMMA"). Additionally, due to a DTC notice not being sent to the Township, as well as an administrative oversight, an interest payment in the amount of \$31,675.00 that was due on April 15, 2015 was made on April 23, 2015, and an event notice was filed. Remedies have been made to correct the error and the Township expects to make all future payments in a timely manner. The Township appointed Phoenix Advisors, LLC in October of 2013 to serve as continuing disclosure agent.

## **LITIGATION**

To the knowledge of Mark Roselli, Esq., Hamilton, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority of the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A certificate to such effect will be executed by the Township's Attorney and delivered to the purchaser of the Notes at the closing.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq. (the "Bankruptcy Code"), as amended by Public Law 94-260, approved April 8, 1976 and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, any such lien, other than municipal betterment assessments, shall be subject to the necessary operating

expenses of such project or system. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such Bankruptcy Code.

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

**Reference to the Bankruptcy Code or the State statute should not create any implication that the Township expects to utilize the benefits of their provisions.**

### **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Notes, by certificates signed by the Chief Financial Officer, that to her knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Holman Frenia Allison P.C., Medford, New Jersey assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in their Independent Auditor's Report.

The Township Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Bond Counsel has participated in the review of this Official Statement but has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

### **RATING**

The Notes have not been rated.

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "Underwriter"). The Underwriter has purchased the Notes in accordance with the Notice of Sale and the Official Form of Proposal. The Notes are being offered for sale at the yield set forth on the front cover page of this Official Statement.

## **FINANCIAL ADVISOR**

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

## **APPROVAL OF LEGAL PROCEEDINGS**

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

## **CERTIFICATES OF THE TOWNSHIP**

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

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Deborah Bauer, Chief Financial Officer, Township of Robbinsville, 1 Washington Blvd., Suite 6, Robbinsville, New Jersey, (609) 918-0002 x106 or Phoenix Advisors, LLC, 4 West Park Street, Bordentown, New Jersey (609) 291-0130.

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

### **MISCELLANEOUS**

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

### **THE TOWNSHIP OF ROBBINSVILLE**

By: \_\_\_\_\_  
**Deborah Bauer, Chief Financial Officer**

Dated: July \_\_, 2016

## **APPENDIX A**

### **GENERAL INFORMATION REGARDING THE TOWNSHIP**



## **INFORMATION REGARDING THE TOWNSHIP<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Robbinsville (the “Township”).

### **General Information**

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

### **Form of Government**

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

### **Services**

**EDUCATION.** The Robbinsville Township Board of Education (the “Local School District”) serves students in grades Kindergarten through 12th grade. Robbinsville High School opened in September 2005 and graduated its first class in June 2008. Ninety-five percent of the first graduating class entered college, with two-thirds entering a four-year institution. The high school offers a full Advanced Placement curriculum. The Local School District also operates 1 Middle School and 2 Elementary Schools (one elementary school, the Windsor School, is not currently being utilized). Nearby higher educational opportunities are available at Rutgers, the State University of New Jersey; Rider University; Princeton University; the College of New Jersey; and Mercer County Community College.

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

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

---

<sup>1</sup> Source: The Township (unless otherwise indicated).

## **Retirement Systems**

A majority of 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”). Under a state law adopted in 2007, certain elected and appointed Township officials who took office after 2007 are enrolled in a State administered defined contribution plan in lieu of membership in the above referenced systems.

## **Pension Information<sup>2</sup>**

Employees, who are eligible to participate in a pension plan, are enrolled in PERS or PFRS, as administrated 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 which is based upon the annual billings received from the State, were \$401,123 for PERS and \$753,603 for PFRS for the year ended December 31, 2015.

*[Remainder of Page Intentionally Left Blank]*

---

<sup>2</sup> 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:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2015	7,982	7,690	292	3.7%
2014	7,798	7,454	344	4.4%
2013	7,690	7,287	403	5.2%
2012	7,629	7,172	457	6.0%
2011	7,087	6,680	407	5.7%
<b><u>County</u></b>				
2015	199,062	189,451	9,611	4.8%
2014	195,012	183,638	11,374	5.8%
2013	193,653	179,698	13,955	7.2%
2012	194,236	178,253	15,983	8.2%
2011	193,395	177,378	16,017	8.3%
<b><u>State</u></b>				
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)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$106,172	\$73,883	\$69,811
Median Family Income	129,400	92,817	84,904
Per Capita Income	48,838	36,721	34,858

Source: US Bureau of the Census 2010

## **Population**

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

	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
<b><u>Year</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2014*	13,952	2.27%	369,526	0.82%	8,874,374	0.94%
2010	13,642	32.77	366,513	4.49	8,791,894	4.49
2000	10,275	76.70	350,761	7.65	8,414,350	8.85
1990	5,815	66.76	325,824	5.83	7,730,188	4.96
1980	3,487	5.32	307,863	1.23	7,365,001	2.75

\*Estimate

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

## **Largest Taxpayers**

The ten (10) largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2015 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Matrix 7A Land / PRI, LLC	\$113,285,000	4.68%
Sharbell Washington-Newtown	40,640,399	1.68%
100 Manor Way	32,580,000	1.35%
J&J New Jersey, LLC	29,795,000	1.23%
KTR NJ I, LLC	28,279,092	1.17%
McMaster-Carr	23,070,000	0.95%
Mercedes Benz USA	19,762,950	0.82%
WW Grainger	16,400,000	0.68%
Windsor Industrial Park	15,000,000	0.62%
Thompson Realty Compay	<u>12,818,616</u>	<u>0.53%</u>
<b>Total</b>	<b><u>\$331,631,057</u></b>	<b><u>13.70%</u></b>

Source: Local School District Comprehensive Annual Financial Report and Municipal Tax Assessor.

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Percentage</u></b>
2015U	\$70,235,397	\$69,733,016	99.28%
2014	69,709,294	68,982,001	98.96%
2013	68,097,966	67,087,901	98.52%
2012	66,459,428	65,390,573	98.39%
2011	64,609,733	63,879,114	98.87%

U: Unaudited

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2015U	\$164,074	\$462,601	\$626,675	0.89%
2014	111,834	640,045	751,879	1.08%
2013	99,126	560,453	659,579	0.97%
2012	140,518	534,553	675,072	1.02%
2011	112,545	466,712	579,257	0.90%

U: Unaudited

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2015U	\$0
2014	0
2013	0
2012	0
2011	0

U: Unaudited

Source: Annual Audit Reports of the Township

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

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

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Municipal Open Space</u></b>	<b><u>Local School</u></b>	<b><u>County</u></b>	<b><u>Total Taxes</u></b>
2015	\$0.531	\$0.050	\$1.618	\$0.662	\$2.861
2014	0.531	0.050	1.625	0.665	2.871
2013	0.522	0.050	1.549	0.623	2.744
2012	0.542	0.050	1.479	0.594	2.665
2011	0.528	0.050	1.433	0.567	2.578

Source: Annual Audit Reports of the Township

### **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2015	\$2,417,093,424	\$2,486,210,064	97.22%	\$3,203,902	\$2,489,413,966
2014	2,388,677,954	2,337,715,751	102.18	2,859,888	2,340,575,639
2013	2,447,572,528	2,335,692,841	104.79	3,301,002	2,338,993,843
2012	2,460,447,520	2,422,892,683	101.55	3,781,126	2,426,673,809
2011	2,477,394,741	2,512,570,731	98.60	3,716,212	2,516,286,943

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.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2015	\$79,618,464	\$1,796,059,500	\$29,058,060	\$218,650,600	\$286,856,800	\$6,850,000	\$2,417,093,424
2014	69,457,440	1,780,356,300	29,817,114	216,201,200	285,995,900	6,850,000	2,388,677,954
2013	63,973,840	1,837,318,300	31,000,888	220,139,600	288,289,900	6,850,000	2,447,572,528
2012	65,315,040	1,839,222,800	31,019,580	235,098,900	282,941,200	6,850,000	2,460,447,520
2011	74,003,840	1,833,483,100	31,562,201	256,842,600	274,653,000	6,850,000	2,477,394,741

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**

<b><u>Anticipated Revenues</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Fund Balance	\$2,250,000	\$3,050,000	\$3,089,693	\$2,839,671	\$3,322,035
Miscellaneous Revenues	6,290,982	5,460,461	5,107,136	5,838,191	5,862,885
Receipts from Delinquent Taxes	455,000	425,000	450,000	450,000	470,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>13,361,196</u>	<u>12,801,255</u>	<u>12,704,061</u>	<u>12,857,134</u>	<u>12,832,235</u>
Total Revenue:	<u>\$22,357,177</u>	<u>\$21,736,716</u>	<u>\$21,350,890</u>	<u>\$21,984,996</u>	<u>\$22,487,155</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$13,398,061	\$14,464,585	\$14,709,079	\$15,111,020	\$15,350,138
Operations	3,253,425	1,137,916	1,124,855	1,189,358	1,316,957
Deferred Charges and Statutory Expenditures	14,000	164,000	14,000	153,555	17,875
Judgments	0	0	0	0	0
Capital Improvement Fund	104,175	88,850	172,490	237,393	165,144
Municipal Debt Service	4,037,517	4,581,364	4,330,466	4,293,670	4,637,042
Reserve for Uncollected Taxes	<u>1,550,000</u>	<u>1,300,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Appropriations:	<u>\$22,357,177</u>	<u>\$21,736,716</u>	<u>\$21,350,890</u>	<u>\$21,984,996</u>	<u>\$22,487,155</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

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.

<b><u>Fund Balance - Current Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015U	\$4,409,575	\$3,302,580
2014	4,080,550	2,839,671
2013	4,408,276	3,089,693
2012	3,768,696	3,050,000
2011	2,467,817	2,250,000

U: Unaudited

Source: Annual Audit Reports of the Township

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.

**Fund Balance - Sewer Utility Operating Fund**

<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2015U	\$1,531,476	\$229,646
2014	1,569,517	228,572
2013	920,501	109,653
2012	805,696	212,333
2011	641,964	70,163

U: Unaudited

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2015****General Purpose Debt**

Serial Bonds	\$33,399,000
Bond Anticipation Notes	12,838,357
Bonds and Notes Authorized but Not	2,028,625
Other Bonds, Notes and Loans	<u>501,166</u>
Total:	\$48,767,148

**Local School District Debt**

Serial Bonds	\$60,394,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not	<u>0</u>
Total:	\$60,394,000

**Self-Liquidating Debt**

Serial Bonds - Sewer Utility	\$2,320,000
	0
Bonds and Notes Authorized but Not	0
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$2,320,000

**TOTAL GROSS DEBT****\$111,481,148**

## Less: Statutory Deductions

General Purpose Debt	\$12,641,373
Local School District Debt	60,394,000
Self-Liquidating Debt	<u>2,320,000</u>
Total:	\$75,355,373

**TOTAL NET DEBT****\$36,125,775**

Source: Annual Debt Statement of the Township



**Overlapping Debt (as of December 31, 2015)<sup>3</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$60,394,000	100.00%	\$60,394,000
County	450,865,848	5.63%	25,364,360
County Improvement Authority	95,765,060	5.63%	<u>5,387,455</u>
Net Indirect Debt			\$91,145,815
Net Direct Debt			<u>36,125,775</u>
Total Net Direct and Indirect Debt			<b><u>\$127,271,590</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2013, 2014, 2015)	\$2,420,953,272
Permitted Debt Limitation (3 1/2%)	84,733,365
Less: Net Debt	<u>36,125,775</u>
Remaining Borrowing Power	<u>\$48,607,589</u>
Percentage of Net Debt to Average Equalized Valuation	1.49%

Gross Debt Per Capita based on 2010 population of 13,642                      \$8,172

Net Debt Per Capita based on 2010 population of 13,642                      \$2,648

Source: Annual Debt Statement of the Township.

---

<sup>3</sup> Township percentage of County and County Improvement Authority debt is based on the Township's share of total equalized valuation in the County.

**APPENDIX B**

**AUDITED FINANCIAL DATA AS OF DECEMBER 31, 2015  
AND FOR THE YEAR THEN ENDED**

**TOWNSHIP OF ROBBINSVILLE**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2015**



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

**TABLE OF CONTENTS**

**Year ended December 31, 2015**

	<b><u>EXHIBIT</u></b>	<b><u>PAGE</u></b>
<b>PART I</b>		
Independent Auditor's Report		1
<b>Financial Statements – Regulatory Basis:</b>		
<b><u>Current Fund:</u></b>		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	7
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	9
Statement of Revenues – Regulatory Basis	A-2	10
Statement of Expenditures – Regulatory Basis	A-3	14
<b><u>Trust Fund:</u></b>		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	19
<b><u>General Capital Fund:</u></b>		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	21
<b><u>Sewer Utility Fund:</u></b>		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	22
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	24
Statement of Revenues - Regulatory Basis	D-2	25
Statement of Expenditures - Regulatory Basis	D-3	26
<b><u>General Fixed Assets Account Group:</u></b>		
Comparative Statement of Fixed Assets & Fund Balance - Regulatory Basis	E	27
<b><u>Notes to Financial Statements</u></b>		31

*This page intentionally left blank*

**TOWNSHIP OF ROBBINSVILLE  
COUNTY OF MERCER**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

\*\*\*\*\*

*This page intentionally left blank*





HOLMAN | FRENIA  
ALLISON, P.C.  
*Certified Public Accountants & Consultants*

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639  
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090  
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090  
[www.hfacpas.com](http://www.hfacpas.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Robbinsville  
County of Mercer  
Robbinsville, New Jersey 08691

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Robbinsville, County of Mercer, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

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

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Robbinsville, County of Mercer, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Robbinsville, County of Mercer, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Emphasis of Matter**

#### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Township of Robbinsville adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016, on our consideration of the Township of Robbinsville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Robbinsville's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
CR 473

June 20, 2016  
Medford, New Jersey

*This page intentionally left blank*

## **BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank*

**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Regular Fund:			
Cash	A-4	\$ 9,060,750	\$ 6,172,223
Cash - Change Funds	A-6	950	950
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-8	8,161	9,161
Total		9,069,861	6,182,334
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-7	462,600	640,045
Tax Title Liens Receivable	A-9	164,074	111,834
Demolition Liens Receivable	A	9,800	9,800
6% Year-End Penalties	A	9,924	15,630
Other Receivables	A	2,853	570
Revenue Accounts Receivable	A-10	45,387	33,225
Due From Interfunds:			
Dog License Fund	B	290	4,866
Due From Trust Other	B	463,944	605,080
General Capital Fund	C	680	761
Total Receivables & Other Assets With Full Reserves		1,159,552	1,421,811
Deferred Charges To Future Taxation:			
Emergency Appropriation	A	17,500	14,000
Total		17,500	14,000
Total Regular Funds		10,246,913	7,618,145
Federal, State & Other Grants:			
Cash	A-4	636,985	1,159,017
Federal, State & Other Grants Receivable	A-15	2,371,829	2,379,062
Total Federal, State & Other Grants		3,008,814	3,538,079
Total Assets		\$ 13,255,727	\$ 11,156,224

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

**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Regular Fund:			
Liabilities:			
Special Emergency Note Payable	A	\$ -	\$ 14,000
Appropriation Reserves	A-3	893,745	850,675
Reserve for Encumbrances	A-3	566,593	304,642
Due to State of NJ	A	15,081	9,846
Due to Borough of Allentown - LEA Rebate	A	397	454
Prepaid Taxes	A-5	231,148	201,500
Due County for Added & Omitted Taxes	A	469,278	240,951
Tax Overpayments	A	1,263	33,378
Reserve for Tax Appeals	A	100,000	100,000
Reserve for Revision & Codification of Ordinances	A	49,471	53,725
Reserve for Preparation of a Master Plan Amendment	A	619	619
Reserve for Street Opening	A	100	100
Reserve for Construction Expenditures	A	300,000	300,000
Reserve for Garden State Trust	A	5,894	5,894
Reserve for Pilots Due to County	A	53,302	-
Due To Interfunds:			
General Capital Fund	C	2,000,000	-
Subtotal Regular Fund		4,686,891	2,115,784
Reserve for Receivables & Other Assets	A	1,159,552	1,421,811
Fund Balance	A-1	4,400,470	4,080,550
Total Regular Fund		10,246,913	7,618,145
Federal, State & Other Grants:			
Reserve for Encumbrances	A-16	830,920	1,474,279
Reserve for Federal, State & Other Grants:			
Appropriated	A-16	2,166,992	2,024,785
Unappropriated	A-17	10,902	39,015
Total Federal, State & Other Grants		3,008,814	3,538,079
Total Liabilities, Reserves & Fund Balance		\$ 13,255,727	\$ 11,156,224

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



**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 2,839,671	\$ 3,089,693
Miscellaneous Revenue Anticipated	6,904,090	5,713,358
Receipts From Delinquent Taxes & Tax Title Liens	581,755	543,802
Receipts From Current Taxes	69,733,017	68,980,144
Nonbudget Revenue	272,466	232,342
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	754,608	982,840
Cancellation of Prior Year Grant Appropriation	978	-
Interfund Returned	2,053,692	1,034
Total	<u>83,140,277</u>	<u>79,543,213</u>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries & Wages	7,344,060	7,050,331
Other Expenses	5,981,510	5,958,680
Deferred Charges & Statutory Expenditures	1,785,449	1,700,067
Excluded From "CAPS":		
Operations:		
Salaries & Wages	582,011	577,217
Other Expenses	974,965	749,768
Capital Improvements	237,393	172,490
Municipal Debt Service	4,247,260	4,308,417
Deferred Charges	2,206,055	14,000
Municipal Open Space Tax	1,227,606	1,214,326
County Taxes	16,014,474	15,900,016
Amount Due County for Added & Omitted Taxes	228,327	240,951
Local District School Tax	39,149,163	38,846,900
Prior Year Tax Appeal	-	45,989
Senior Citizen & Veteran Deductions Disallowed Prior Year	2,413	2,094
Total Expenditures	<u>79,980,686</u>	<u>76,781,246</u>
Excess/Deficit in Revenue	<u>3,159,591</u>	<u>2,761,967</u>
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year		
Statutory Excess to Fund Balance	3,159,591	2,761,967
Fund Balance January 1	<u>4,080,550</u>	<u>4,408,276</u>
Total	7,240,141	7,170,243
Decreased by: Utilization as Anticipated Revenue	<u>(2,839,671)</u>	<u>(3,089,693)</u>
Fund Balance December 31	<u>\$ 4,400,470</u>	<u>\$ 4,080,550</u>

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

**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,839,671	\$ -	\$ 2,839,671	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverage	20,000	-	20,238	238
Other	8,000	-	9,527	1,527
Fees & Permits - Other	170,000	-	230,521	60,521
Fines & Costs - Municipal Court	470,000	-	507,970	37,970
Interest & Costs on Taxes	120,000	-	153,796	33,796
Interest on Investments & Deposits	20,000	-	16,380	(3,620)
Fire Department:				
Inspection Fees - Turnpike Authority	12,000	-	12,420	420
Fire Service Revenue		-	14	14
Garden State Preservation Trust	5,894		5,894	-
Building Rental for Sewer Utility	24,000	-	24,000	-
Energy Receipts Tax	1,414,330	-	1,414,330	-
Uniform Construction Code Fees	500,000	-	909,109	409,109
Interlocal Services Agreements:				
Allentown for Automotive Services	7,600	-	10,694	3,094
Mercer County Soil for Automotive Services	2,800	-	1,428	(1,372)
Upper Freehold for Automotive Services	3,000	-	553	(2,447)
Hightstown for Automotive Services	8,000	-	8,762	762
Allentown for Public Works Supervisory	129,121		137,297	8,176
BOE for Automotive Services	1,600	-	2,434	834
BOE for Crossing Guard	6,528	-	4,259	(2,269)
BOE for High School Resource Officer	45,000	-	45,000	-
Recycling Tonnage Grant	25,832	-	25,832	-
Police Body Armor Replacement Fund	2,862	-	2,862	-
Police Body Armor - Federal	3,626	-	3,626	-
Municipal Alliance Grant	12,404	-	12,404	-
Tom May Nature Trail Donations	3,158	-	3,158	-
Click It or Ticket	-	4,000	4,000	-
Assistance to Firefighters- FEMA	-	111,585	111,585	-
Reserve for Emergency Rescue Services- Mercer	3,000	3,000	6,000	-
Library	3,537	-	3,537	-
NJ DOT Richardson Road	-	203,000	203,000	-
Anonymous Local Grant - Senior Center	5,000	-	5,000	-
Anonymous Local Grant - Fire Department	10,000	-	10,000	-
Anonymous Local Grant - Police	8,500	-	8,500	-
Anonymous Local Grant - Library	6,500	-	6,500	-

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

**TOWNSHIP OF ROBBINSVILLE  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Miscellaneous Revenues (continued):				
Drive Sober or Get Pulled Over	-	10,000	10,000	-
Clean Communities Grant	-	36,033	36,033	-
Capital Surplus	245,555	-	245,555	-
CATV Franchise Fees	99,319	-	104,319	5,000
Payment in Lieu of Taxes - Project Freedom	9,340	-	9,340	-
Payment in Lieu of Taxes - KTR/ Amazon	444,448	-	586,333	141,885
Payment in Lieu of Taxes - Matrix 500A	10,103	-	16,887	6,784
Payment in Lieu of Taxes - United Way	1,500	-	1,500	-
Payment in Lieu of Taxes - Serv Properties & Management	1,500	-	1,500	-
Payment in Lieu of Taxes - The Arc Mercer Inc.	1,500	-	1,500	-
Tax Abatement - McKesson	46,200	-	44,059	(2,141)
Sale of Municipal Assets	718,000	-	718,000	-
Open Space Tax for Debt Service	1,005,434	-	1,005,434	-
Reserve to Pay Bonds - Capital	203,000	-	203,000	-
Total Miscellaneous Revenues	5,838,191	367,618	6,904,090	698,281
Receipts from Delinquent Taxes	450,000	-	581,755	131,755
Local Tax for Municipal Purposes	12,857,134	-	14,113,446	1,256,312
Budget Totals	21,984,996	367,618	24,438,962	2,086,348
Nonbudget Revenues	-	-	272,466	272,466
Total Revenues	\$ 21,984,996	\$ 367,618	\$ 24,711,428	\$ 2,358,814

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

**TOWNSHIP OF ROBBINSVILLE  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 69,733,017
Less: School, County & Special District Taxes	<u>56,619,570</u>
Balance for Support of Municipal Budget Appropriations	13,113,447
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,000,000</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 14,113,447</u></u>
 Delinquent Property Taxes Receivable	 <u>\$ 581,755</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 581,755</u></u>
 Licenses - Other:	
Bingo & Raffle	\$ 200
Board of Health - Food Handlers	9,180
Marriage Licenses	<u>147</u>
Total Licenses - Other	<u><u>\$ 9,527</u></u>
 Fees & Permits - Other:	
Zoning/Planning Board	\$ 5,605
Street Opening Permits	1,500
Housing Inspection Fees	33,075
Returned Check Fee	120
Police & Accident Report Fees	1,788
Extra Duty Police Admin. Fees	29,250
Photocopy Fees	1,187
Landlord Registration Fees	8,800
Redevelopment - TC South Application Fees	2,000
Major Subdivision	24,400
Septic & Well Permit	2,490
Site Plan Fee	24,062
Variance Fees	2,050
Other Fees	<u>94,194</u>
Total Fees & Permits - Other	<u><u>\$ 230,521</u></u>

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

**TOWNSHIP OF ROBBINSVILLE  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**ANALYSIS OF INTEREST & COST IN TAXES**

Interest & Costs	\$ 140,588
6% Penalties	<u>13,208</u>
Total Interest & Costs	<u><u>\$ 153,796</u></u>

**ANALYSIS OF NONBUDGET REVENUE**

Treasurer:	
Recycling	\$ 1,825
Lease of Farmland	43,711
Refund of Prior Year Expenditures	69,774
Senior Citizen & Veteran Administrative Fees	1,382
New Jersey Hotel Tax	92,858
Sale of Municipal Assets	46,042
Recycling Container Lids	418
Interlocal Service Agreements	10,200
Other Miscellaneous	<u>6,256</u>
Total Analysis of Nonbudget Revenue	<u><u>\$ 272,466</u></u>

**TOWNSHIP OF ROBBINSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>General Government:</b>						
General Administration:						
Salaries and Wages	\$ 159,450	\$ 159,450	\$ 157,381	\$ -	\$ 2,069	\$ -
Other Expenses	21,045	21,045	15,564	3,009	2,472	-
Mayor:						
Salaries and Wages	70,438	70,438	70,438	-	-	-
Other Expenses	6,165	6,165	4,852	731	582	-
Municipal Clerk's Office:						
Salaries and Wages	161,252	161,252	156,309	-	4,943	-
Other Expenses	19,282	19,282	14,540	1,667	3,075	-
Election:						
Salaries and Wages	1,000	1,000	654	-	346	-
Other Expenses	11,820	11,820	4,989	-	6,831	-
Computerized Data Processing Center:						
Other Expenses	85,332	85,332	63,012	21,963	357	-
Financial Administration:						
Salaries and Wages	249,133	249,133	244,634	-	4,499	-
Other Expenses	69,812	69,812	37,379	19,874	12,559	-
Auditing Services:						
Other Expenses	28,800	28,800	28,800	-	-	-
Tax Assessment Administration:						
Salaries and Wages	91,178	91,178	91,026	-	152	-
Other Expenses	22,787	22,787	18,106	484	4,197	-
Revenue Administration (Tax Collection):						
Salaries and Wages	69,057	69,057	67,754	-	1,303	-
Other Expenses	7,881	7,881	4,828	76	2,977	-
Legal Services & Costs:						
Other Expenses	240,080	240,080	213,636	16,047	10,397	-
Engineering Services:						
Salaries and Wages	99,163	99,163	31,343	-	67,820	-
Other Expenses	69,960	69,960	24,426	45,412	122	-
Affordable Housing:						
Salaries and Wages	12,740	12,740	12,740	-	-	-
Other Expenses	19,608	19,608	18,060	1,448	100	-
Housing & Property Maintenance:						
Salaries and Wages	11,095	11,095	11,095	-	-	-
Township Council:						
Salaries and Wages	27,470	27,470	27,470	-	-	-
Other Expenses	49,243	49,243	3,782	33,556	11,905	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	72,212	72,212	53,527	-	18,685	-
Other Expenses	76,394	76,394	50,409	25,950	35	-
Zoning Board of Adjustments:						
Salaries and Wages	32,115	32,115	27,122	-	4,993	-
Other Expenses	12,050	12,050	7,481	4,505	64	-
Economic Development:						
Salaries and Wages	17,356	17,356	17,332	-	24	-
Other Expenses	41,025	41,025	28,527	1,347	11,151	-
<b>Insurance:</b>						
General Liability	156,617	156,617	156,617	-	-	-
Workers Compensation	104,348	104,348	104,348	-	-	-
Employee Group Health	1,688,582	1,688,582	1,468,032	122,777	97,773	-
Health Benefit Waiver	77,408	77,408	74,856	-	2,552	-
<b>Public Safety Functions:</b>						
Police:						
Salaries and Wages	2,839,854	2,839,854	2,792,517	-	47,337	-
Other Expenses	206,047	206,047	180,807	21,195	4,045	-
Office of Emergency Management:						
Other Expenses	2,500	2,500	2,402	-	98	-

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

**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
<b>Public Safety Functions (continued):</b>						
Fire Department:						
Salaries and Wages	1,459,037	1,459,037	1,435,635	-	23,402	-
Other Expenses	509,550	509,550	421,850	87,367	333	-
EMS:						
Other Expenses	10,000	10,000	9,972	-	28	-
Municipal Prosecutor's Office:						
Other Expenses	50,350	50,350	29,515	12,300	8,535	-
Municipal Court:						
Salaries and Wages	286,215	286,215	270,942	-	15,273	-
Other Expenses	17,920	17,920	13,459	859	3,602	-
Public Defender (P.L. 1997, C256):						
Other Expenses	7,500	7,500	2,000	4,000	1,500	-
Judgements:						
Other Expenses	56,358	56,358	56,358	-	-	-
<b>Public Works Functions:</b>						
Streets & Road Maintenance:						
Salaries and Wages	205,828	205,078	196,421	-	8,657	-
Other Expenses	30,160	30,910	29,214	1,686	10	-
Snow Removal:						
Salaries and Wages	62,800	62,800	62,800	-	-	-
Other Expenses	82,000	82,000	76,268	5,732	-	-
Solid Waste Collection:						
Salaries and Wages	247,402	247,402	219,214	-	28,188	-
Other Expenses	116,308	116,308	105,428	10,764	116	-
Buildings & Grounds:						
Salaries and Wages	128,092	127,592	123,947	-	3,645	-
Other Expenses	38,559	39,059	38,031	725	303	-
Vehicle Maintenance (Including Police Vehicles):						
Salaries and Wages	198,196	198,196	188,968	-	9,228	-
Other Expenses	79,000	79,000	67,170	10,741	1,089	-
Multiple Family Dwelling Garbage Reimbursement	47,444	47,444	47,444	-	-	-
Community Services Act (Condo Community Costs):						
Other Expenses	150,863	150,863	150,863	-	-	-
<b>Health &amp; Human Services:</b>						
Public Health Services (Board of Health):						
Salaries and Wages	16,459	16,459	15,197	-	1,262	-
Other Expenses	81,427	81,427	78,859	1,987	581	-
<b>Parks &amp; Recreation:</b>						
Recreation Services & Programs:						
Salaries and Wages	133,479	133,479	115,933	-	17,546	-
Other Expenses	11,358	11,358	8,249	1,519	1,590	-
Maintenance of Parks:						
Salaries and Wages	76,289	76,289	63,627	-	12,662	-
Other Expenses	18,200	18,200	14,709	462	3,029	-
<b>Education Functions:</b>						
Municipal Library/County Library:						
Other Expenses	5,900	5,900	5,689	-	211	-
<b>Other Common Operating Functions:</b>						
Celebration of Public Events:						
Other Expenses	39,600	39,600	39,245	-	355	-
Landfill/Solid Waste Disposal Costs:						
Other Expenses	618,000	618,000	473,834	16,000	128,166	-
Environmental Commission:						
Other Expenses	500	500	290	-	210	-
Senior Center Operations:						
Salaries and Wages	144,908	144,908	133,108	-	11,800	-
Other Expenses	7,870	7,870	6,692	867	311	-

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

**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
OPERATIONS WITHIN "CAPS"						
<b>Other Common Operating Functions (continued):</b>						
Central Service:						
Other Expenses	1,500	1,500	535	63	902	-
Postage:						
Other Expenses	22,080	22,080	17,132	18	4,930	-
Salary Adjustment Account:						
Salaries and Wages	60,000	60,000	57,751	-	2,249	-
Sharbell Lease	180,927	180,927	180,927	-	-	-
Construction Official:						
Salaries and Wages	413,092	413,092	372,299	-	40,793	-
Other Expenses	31,750	31,750	23,824	3,704	4,222	-
<b>Utility Expenses &amp; Bulk Purchases:</b>						
Electricity	178,000	178,000	136,124	17,644	24,232	-
Street Lighting	290,000	290,000	250,343	39,631	26	-
Telephones	57,600	72,600	61,759	4,658	6,183	-
Water	15,750	20,750	18,275	2,235	240	-
Fuel Oil	6,000	6,000	3,765	1,235	1,000	-
Gasoline	200,000	180,000	117,442	-	62,558	-
Total Operation Within "CAPS"	13,324,570	13,324,570	12,027,902	544,238	752,430	-
Contingent	1,000	1,000	-	-	1,000	-
Total Operations Including Contingent	13,325,570	13,325,570	12,027,902	544,238	753,430	-
Detail:						
Salaries and Wages	7,345,310	7,344,060	7,092,040	-	326,876	-
Other Expenses (Including Contingent)	5,980,260	5,981,510	4,935,862	544,238	426,554	-
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":						
Statutory Expenditures:						
Contribution to Public Employees'						
Retirement System of New Jersey	345,924	345,924	345,924	-	-	-
Contributions to Social Security	593,372	593,372	554,278	-	39,094	-
Contribution to Police & Firemen's						
Retirement System of New Jersey	782,153	782,153	782,153	-	-	-
Unemployment	60,000	60,000	60,000	-	-	-
Defined Contribution Retirement Program	4,000	4,000	1,011	-	2,989	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,785,449	1,785,449	1,743,366	-	42,083	-
Total General Appropriations for Municipal Purposes Within "CAPS"	15,111,019	15,111,019	13,771,268	544,238	795,513	-
<b>Public Safety Functions:</b>						
Police Dispatch "911":						
Salaries and Wages	582,011	582,011	577,160	-	4,851	-
Other Expenses	292,347	292,347	253,637	22,355	16,355	-
Solid Waste Collection - Recycling Tax	14,000	14,000	12,160	-	1,840	-
NJPDES/Stormwater Permit 40A:4-45.3(cc)	3,000	3,000	3,000	-	-	-

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



**TOWNSHIP OF ROBBINSVILLE**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>Interlocal Services Agreements:</b>						
Automotive Services With Allentown Township	7,600	7,600	7,600	-	-	-
Automotive Services With Mercer County Soil Conservation	2,800	2,800	1,428	-	1,372	-
Automotive Services With Hightstown Township	8,000	8,000	8,000	-	-	-
Automotive Services With Upper Freehold Township	3,000	3,000	553	-	2,447	-
DPW Supervisory Services with Allentown Township	123,991	123,991	108,148	-	15,843	-
Automotive Services With Board of Education	1,600	1,600	1,600	-	-	-
Crossing Guard Services With Board of Education	6,528	6,528	5,965	-	563	-
<b>Insurance:</b>						
Employee Group Health	54,861	54,861	-	-	54,861	-
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Recycling Tonnage Grant	25,832	25,832	25,832	-	-	-
Tom May Nature Trail Donations	3,158	3,158	3,158	-	-	-
Sale of Library Books & Audio Visual Sales	3,537	3,537	3,537	-	-	-
Senior Center - Anonymous Local Grant	5,000	5,000	5,000	-	-	-
Police Program - Anonymous Local Grant	8,500	8,500	8,500	-	-	-
Library - Anonymous Local Grant	6,500	6,500	6,500	-	-	-
Fire Department - Anonymous Local Grant	10,000	10,000	10,000	-	-	-
Municipal Alliance Grant	12,404	12,404	12,404	-	-	-
Municipal Alliance Grant- Local Match	5,101	5,101	5,101	-	-	-
Emergency Rescue Services- Mercer	3,000	6,000	6,000	-	-	-
Click It or Ticket Grant	-	4,000	4,000	-	-	-
Police Body Armor Replacement Fund	2,862	2,862	2,862	-	-	-
Police Body Armor Fund - Federal	3,626	3,626	3,626	-	-	-
Assistance to Firefighters- FEMA	-	111,585	111,585	-	-	-
NJ DOT Municipal Aid Program- Richardsonson Rd	-	203,000	203,000	-	-	-
Matching Funds for Grants	100	100	-	-	100	-
Clean Communities Program	-	36,033	36,033	-	-	-
Drive Sober or Get Pulled Over	-	10,000	10,000	-	-	-
<b>Total Operations Excluded From "CAPS"</b>	<b>1,189,358</b>	<b>1,556,976</b>	<b>1,436,389</b>	<b>22,355</b>	<b>98,232</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	582,011	582,011	577,160	-	4,851	-
Other Expenses	607,347	974,965	859,229	22,355	93,381	-
<b>Capital Improvements - Excluded from "CAPS":</b>						
Capital Improvements Fund	237,393	237,393	237,393	-	-	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>237,393</b>	<b>237,393</b>	<b>237,393</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**TOWNSHIP OF ROBBINSVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	2,510,000	2,510,000	2,510,000	-	-	-
Payment of Bond Anticipation Notes & Capital Notes	659,727	659,727	659,727	-	-	-
Interest on Bonds	847,963	847,963	847,963	-	-	-
Interest on Notes	183,952	183,952	140,377	-	-	43,575
EIT Loan Program:						
Loan Repayments for Principal & Interest	92,029	92,029	89,193	-	-	2,836
Total Municipal Debt Service Excluded from "CAPS"	4,293,671	4,293,671	4,247,260	-	-	46,411
Deferred Charges:						
Funding of Bond Ordinance Due to Rounding	139,555	139,555	139,555	-	-	-
Emergency Appropriation - COAH Litigation	-	17,500	17,500	-	-	-
Emergency Appropriation - Down Payment	-	35,000	35,000	-	-	-
Emergency Appropriation - Building Costs	-	2,000,000	2,000,000	-	-	-
Special Emergency Authorizations - 5 years	14,000	14,000	14,000	-	-	-
Total Deferred Charges	153,555	2,206,055	2,206,055	-	-	-
Total General Appropriations Excluded from "CAPS"	5,873,977	8,294,095	8,127,097	22,355	98,232	46,411
Subtotal General Appropriations	20,984,996	23,405,114	21,898,365	566,593	893,745	46,411
Reserve For Uncollected Taxes	1,000,000	1,000,000	1,000,000	-	-	-
Total General Appropriations	<u>\$ 21,984,996</u>	<u>\$ 24,405,114</u>	<u>\$ 22,898,365</u>	<u>\$ 566,593</u>	<u>\$ 893,745</u>	<u>\$ 46,411</u>
Budget	\$ 21,984,996	\$ 21,984,996				
Emergency Appropriations	-	2,017,500				
Appropriation by 40A:4-87	-	367,618				
Total	<u>\$ 21,984,996</u>	<u>\$ 24,370,114</u>				
Reserve for State, Federal & Other Grants			\$ 457,138			
Deferred Charges			2,206,055			
Reserve for Uncollected Taxes			1,000,000			
Refunds			(874,433)			
Disbursed			20,109,605			
Total			<u>\$ 22,898,365</u>			

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

**TOWNSHIP OF ROBBINSVILLE  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 43,808	\$ 45,703
Total Animal Control Fund		43,808	45,703
Other Trust Funds:			
Cash	B-1	15,134,513	12,999,124
Due From General Capital Fund	C	-	2,194,100
Due from US Treasury		-	484
Due from State of New Jersey		-	113
Total Other Trust Funds		15,134,513	15,193,821
Small Cities Revolving Loan Trust Fund:			
Cash	B-1	6,626	6,620
Total Assets		\$ 15,184,947	\$ 15,246,144
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Reserve for Dog Fund Expenditures	B-2	\$ 39,100	\$ 35,745
Due to Current Fund	A	290	4,866
Prepaid Dog License Fees - Municipal	B-1	4,140	4,763
Dog License Fees - Due to State	B-1	278	329
Total Animal Control Fund		43,808	45,703
Other Trust Funds:			
Payroll Deductions Payable	B-3	80,338	78,196
Premiums Received at Tax Sale	B-8	486,705	259,306
Tax Title Lien Redemptions	B-8	1,926	206,955
Reserve for:			
Parking Offense Adjudication Act	B-8	489	480
Unemployment Benefits	B-4	453,929	392,055
Contribution for Newsletter	B-8	2,212	2,212
Fire Donations	B-8	6,679	7,216
Fire Penalties	B-8	141	1,108
Off-Tract Improvement	B-8	327,797	318,173
Recreation Facilities	B-8	114,647	114,647
Police Extra Duty Pay	B-8	23,741	20,265

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

**TOWNSHIP OF ROBBINSVILLE**  
**TRUST FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

LIABILITIES, RESERVES & FUND BALANCE (continued):	REFERENCE	2015	2014
Other Trust Funds (continued):			
Reserve for:			
Housing Fees	B-8	892,676	704,638
Maintenance Guarantee	B-8	445,902	477,554
Performance Guarantee	B-8	2,445,045	2,203,009
Inspection Fees	B-8	453,257	443,367
Review Costs	B-8	406,814	438,290
Refund of Joint Insurance Fund Premium	B-8	7,626	21,122
Law Enforcement	B-8	38,430	49,402
Public Defender	B-8	11,506	8,436
Open Space	B-6	311,756	28,240
Open Space - Kushner Property	B-7	2,132,000	2,700,000
Pay Open Space Bonds	B-8	2,441,123	2,441,123
NJ Turnpike Wide- Reforestation	B-8	156,869	171,637
NJ Turnpike Wide- Rec Facilities	B-8	42,898	66,172
NJ Turnpike Wide- Acq of Land	B-8	65,352	65,352
Housing - Misc. Affordability Assistance	B-8	650,885	710,279
Housing - Market to Affordable	B-8	1,500,000	1,500,000
Housing - Project Freedom II	B-8	600,000	600,000
Housing - Misc. Rehab	B-8	8,508	8,508
Housing - Administrative Agent Fees	B-8	90,152	80,122
Recreation Activities	B-8	180,733	169,600
Police K-9 Unit	B-8	2,297	2,297
Accumulated Absences	B-8	220,989	192,082
Town Center Public Space	B-8	30,076	61,090
Snow Removal	B-8	13,996	29,983
"Keep It Local" Donations	B-8	18,075	15,825
Due to Capital Fund	C	5,000	-
Due to Current Fund	A	463,944	605,080
Total Other Trust Funds		15,134,513	15,193,821
Small Cities Revolving Loan Trust Fund:			
Reserve for Small Cities Revolving Loans	B-5	6,626	6,620
Total Revolving Loan Trust		6,626	6,620
Total Liabilities, Reserves & Fund Balance		\$ 15,184,947	\$ 15,246,144

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

**TOWNSHIP OF ROBBINSVILLE**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash	C-2,C-3	\$ 7,116,574	\$ 4,136,343
Due from Current Fund	A	2,000,000	-
Due from Open Space Trust Fund	C-16	5,000	-
Deferred Charges to Future Taxation:			
Funded	C-4	33,900,166	24,084,207
Unfunded	C-5	14,866,982	20,294,541
Total Assets		<u>\$ 57,888,722</u>	<u>\$ 48,515,091</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-10	\$ 33,399,000	\$ 23,507,000
Environmental Infrastructure Fund Loan Payable	C-11	216,166	252,207
Environmental Infrastructure Trust Loan Payable	C-12	285,000	325,000
Bond Anticipation Notes	C-9	12,838,357	14,049,526
Encumbrances Payable	C-8	2,457,262	589,260
Improvement Authorizations:			
Funded	C-8	1,007,844	960,605
Unfunded	C-8	6,776,266	4,956,244
Capital Improvement Fund	C-6	1,000	7,751
Due to Current Fund	A	680	761
Due to Open Space Trust Fund	C-16	-	2,194,100
Reserve to Pay Bonds	C-13	57,040	260,040
Reserve for Acquisition of Open Space	C-14	136,069	641,969
Fund Balance	C-1	714,038	770,628
Total Liabilities, Reserves & Fund Balance		<u>\$ 57,888,722</u>	<u>\$ 48,515,091</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$2,028,625 and on December 31, 2014 was \$6,245,015.

**TOWNSHIP OF ROBBINSVILLE  
SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Operating Fund:			
Cash - Treasurer	D-4	\$ 1,923,146	\$ 1,794,879
Total		1,923,146	1,794,879
Receivables & Other Assets With Full Reserves:			
Utility Charges Receivable	D-5	93,461	156,089
Interfund Receivable - Sewer Capital Fund	D	1,795	243
Total Receivable & Other Assets With Full Reserves		95,256	156,332
Total Operating Fund		2,018,402	1,951,211
Capital Fund:			
Cash	D-4	795,582	768,255
Interfund Receivable - Sewer Utility Fund	D	50,000	-
Fixed Capital:			
Completed	D-6	5,969,103	5,969,103
Uncompleted	D-10	3,100,000	3,100,000
Total Capital Fund		9,914,685	9,837,358
Total Operating & Capital Fund		\$ 11,933,087	\$ 11,788,569

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

**TOWNSHIP OF ROBBINSVILLE  
SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	170,461	59,941
Reserve for Encumbrances	D-3	88,170	50,504
Interfund Payable- Sewer Capital	D	50,000	-
Accrued Interest Payable	D-11	14,500	10,096
Prepaid Sewer Rents	D	-	36,834
Deferred Revenue - Reserve for Pump Station			
Maintenance	D	57,000	63,000
Overpayments	D	11,539	4,987
Subtotal		391,670	225,362
Reserve for Receivables	D	95,256	156,332
Fund Balance	D-1	1,531,476	1,569,517
Total Operating Fund		2,018,402	1,951,211
Capital Fund:			
Liabilities:			
Interfund Payable - Sewer Operating	D	1,795	243
Improvement Authorizations:			
Unfunded	D-9	501,777	501,777
Bond Anticipation Notes Payable	D-15	2,320,000	2,472,500
Capital Improvement Fund	D-12	383,921	333,921
Reserves for:			
Deferred Amortization	D-14	635,000	482,500
Amortization	D-13	5,969,103	5,969,103
Fund Balance	D-16	103,089	77,314
Total Capital Fund		9,914,685	9,837,358
Total Liabilities, Reserves & Fund Balance		\$ 11,933,087	\$ 11,788,569

Bonds and notes authorized but not issued as of December 31, 2015 and 2014 is \$145,000 and \$145,000, respectively.

**TOWNSHIP OF ROBBINSVILLE**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
Revenue & Other Income Realized:		
Anticipated Revenues:		
Operating Surplus Anticipated	\$ 228,572	\$ 109,653
Service Charges	2,317,561	2,254,313
Interest on Investments	4,349	6,591
Connection Fees	143,698	573,998
Miscellaneous	29,306	35,127
Other Credits to Income:		
Miscellaneous Revenue Not Anticipated	1,978	5,265
Cancellation of Prior Year Encumbrances	-	10,101
Unexpended Balances of Appropriation Reserves to Fund Balance	78,872	147,880
Total Income	2,804,336	3,142,928
Expenditures:		
Budget Appropriations:		
Operating	2,326,107	2,183,899
Capital Improvements	50,000	50,000
Debt Service	181,560	129,211
Statutory Expenditures	56,138	21,150
Total Expenditures	2,613,805	2,384,260
Statutory Excess to Fund Balance	190,531	758,668
Fund Balance January 1	1,569,517	920,502
Total	1,760,048	1,679,170
Less: Utilized by Operating Budget	(228,572)	(109,653)
Balance December 31	\$ 1,531,476	\$ 1,569,517

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



**TOWNSHIP OF ROBBINSVILLE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus Anticipated	\$ 228,572	\$ 228,572	\$ -
Sewer Use Charges	2,283,630	2,317,561	33,931
Interest on Investments	4,000	4,349	349
Connection Fees	79,044	143,698	64,654
Miscellaneous - Sewer	22,000	29,306	7,306
	<hr/>		
Total	\$ 2,617,246	\$ 2,723,486	\$ 106,240
	<hr/>		

**ANALYSIS OF REALIZED REVENUES**

Miscellaneous - Sewer:	
Delinquent Interest	\$ 23,306
Maintenance Income	<hr/> 6,000
Total	<hr/> \$ 29,306
	<hr/>

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

**TOWNSHIP OF ROBBINSVILLE  
SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELED
Operating:						
Salaries & Wages	\$ 147,390	\$ 147,390	\$ 142,672	\$ -	\$ 4,718	\$ -
Other Expenses	2,178,717	2,178,717	1,925,638	88,170	164,909	-
Debt Service:						
Note Principal	152,500	152,500	152,500	-	-	-
Interest on Notes	32,500	32,500	29,060	-	-	3,440
Capital Improvements:						
Capital Improvement Fund	50,000	50,000	50,000	-	-	-
Statutory Expenditures		-			-	
Public Employee Retirement System	44,767	44,767	44,767	-	-	-
Social Security System	11,275	11,275	10,537	-	738	-
Unemployment Compensation Insurance	96	96	-	-	96	-
Total Expenditures	<u>\$ 2,617,245</u>	<u>\$ 2,617,245</u>	<u>\$ 2,355,174</u>	<u>\$ 88,170</u>	<u>\$ 170,461</u>	<u>\$ 3,440</u>

Original Budget	<u>\$ 2,617,245</u>
Total	<u><u>\$ 2,617,245</u></u>

Capital Improvement Fund - Interfund	\$ 50,000
Refund of Expenditures	(7,660)
Debt Service Accrual	4,404
Cash Disbursed	<u>2,308,430</u>
Total	<u><u>\$ 2,355,174</u></u>

**TOWNSHIP OF ROBBINSVILLE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF FIXED ASSETS AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Land & Land Improvements	\$ 9,764,889	\$ 9,754,384
Buildings & Building Improvements	5,444,223	5,438,764
Equipment & Vehicles	<u>7,398,481</u>	<u>7,404,174</u>
Total	<u><u>\$ 22,607,593</u></u>	<u><u>\$ 22,597,322</u></u>
FUND BALANCE		
Investment in General Fixed Assets	<u><u>\$ 22,607,593</u></u>	<u><u>\$ 22,597,322</u></u>

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

*This page intentionally left blank*

**TOWNSHIP OF ROBBINSVILLE  
COUNTY OF MERCER**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

\*\*\*\*\*

*This page intentionally left blank*

**TOWNSHIP OF ROBBINSVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity** - During 2007 the Township of Washington legally changed its name to the Township of Robbinsville at the November 6, 2007 election. The Township of Robbinsville was incorporated under the laws of the State of New Jersey. The financial statements of the reporting entity include those of the Township of Robbinsville only and no other component units.

The accounting policies of the Township of Robbinsville 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. The following is a summary of the significant policies.

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

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

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

**Current Fund** - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

**Trust Fund** – receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

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

**Sewer Operating and Capital Funds** - Sewer Utility Operating and Capital Funds Accounts for the operation and acquisition of capital facilities of the Municipality owned Sewer Utility.

**General Fixed Assets Account Group** – used to account for fixed assets used in general government operations.

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** – Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

The Township of Robbinsville deposits Funds in public depositories protected from loss under the provisions of the Act.

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



# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 1. Summary of Significant Accounting Policies (continued):

**Inventories and 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.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

The following is a summary of General Fixed Assets as of December 31, 2015:

	Balance December 31, 2014	Additions	Retirements	Balance December 31, 2015
Land & Land				
Improvements	\$ 9,754,384	\$ 10,505	\$ -	\$ 9,764,889
Buildings & Improvements	5,438,764	5,459	-	5,444,223
Equipment & Vehicles	7,404,174	-	5,693	7,398,481
	<hr/>			<hr/>
Total	\$ 22,597,322	\$ 15,964	\$ 5,693	\$ 22,607,593 <hr/>

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

**Fund Balance** – Fund balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's 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.

**Property Tax Revenues** – Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Mercer and the Township of Robbinsville School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

**County Taxes** – The municipality is responsible for levying, collecting and remitting county taxes for the County of Mercer. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 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.

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

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

**Expenditures** – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

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

**Impact of Recently Issued Accounting Principles – Adopted Accounting Pronouncements** – For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statement requires the Township to disclose its portion of the collective net pension liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police Firemen’s Retirement System (PFRS).

**Subsequent Events** - The Township of Robbinsville has evaluated subsequent events occurring after December 31, 2015 through the date of June 20, 2016, which is the date the financial statements were available to be issued.

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 2. Cash and Cash Equivalents

**Custodial Credit Risk Related to Deposits** – Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2015, the Township’s bank balance of \$35,097,134 was insured or collateralized as follows:

Insured	\$ 750,000
Collateralized under GUDPA	16,883,509
Uninsured	<u>17,463,625</u>
Total	<u>\$35,097,134</u>

### Note: 3: Property Taxes

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

#### Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$2.861</u>	<u>\$2.871</u>	<u>\$2.744</u>
Apportionment of Tax Rate:			
Municipal	0.531	0.531	0.522
Municipal Open Space	0.050	0.050	0.050
County	0.662	0.665	0.623
Local School	1.618	1.625	1.549

#### Net Valuation Taxable:

2015	<u>\$ 2,420,296,326</u>	
2014	<u>\$ 2,391,537,842</u>	
2013		<u>\$ 2,450,873,530</u>

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note: 3: Property Taxes (continued)

#### Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 70,235,397	\$ 69,733,016	99.28%
2014	69,709,294	68,982,001	98.96%
2013	68,097,966	67,087,901	98.52%

#### Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 164,074	\$ 462,600	\$ 626,674	0.89%
2014	111,834	640,045	751,879	1.08%
2015	99,126	560,453	659,579	0.97%

### Note: 4: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>CURRENT FUND:</b>			
2015	\$ 4,400,470	\$ 3,322,035	75.49%
2014	4,080,550	2,839,671	69.59%
2013	4,408,276	3,089,693	70.09%
2012	3,768,696	3,050,000	80.93%
2011	2,467,817	2,250,000	91.17%

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 4: Fund Balance Appropriated (continued):

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>SEWER OPERATING FUND:</b>			
2015	\$ 1,531,476	\$ 229,646	15.00%
2014	1,569,517	228,572	14.56%
2013	920,502	109,653	11.91%
2012	805,696	212,333	26.35%
2011	875,859	70,163	8.01%

### Note 5. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2015:

Fund	Receivable	Payable
Current Fund	\$ 464,914	\$ 2,000,000
General Capital Fund	2,005,000	680
Sewer Operating Fund	1,795	50,000
Sewer Capital Fund	50,000	1,795
Trust - Animal Control Fund	-	290
Trust - Other Fund	-	468,944
	<u>\$ 2,521,709</u>	<u>\$ 2,521,709</u>

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

### Note 6. Pension Obligations

#### A. Public Employees' Retirement System (PERS)

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

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

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

##### A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$401,123 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.



## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

##### A. Public Employees' Retirement System (PERS) (continued):

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$10,546,225. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .04698%, which was a decrease of .00168% from its proportion measured as of June 30, 2014.

#### Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Acturial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	10,546,225	9,109,960
Townships's portion of the Plan's total net pension Liability	0.04698%	0.04866%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$711,945.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Acturial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.



# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 6. Pension Obligations (continued):

#### A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

##### A. Public Employees' Retirement System (PERS) (continued):

benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 13,107,668	\$ 10,546,225	\$ 8,398,730

##### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

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

The following represents the membership tiers for PFRS:

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

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$753,603 for 2015.

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

**Special Funding Situation** – Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$16,972,127. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .10189%, which was an increase of .00377% from its proportion measured as of June 30, 2014.

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 6. Pension Obligations (continued):

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

##### Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	16,972,127	12,342,154
Townships's portion of the Plan's total net pension Liability	0.10189%	0.09812%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$1,714,439.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$1,488,399 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .10189%, which was an increase of .00377% from its proportion measured as of June 30, 2014, which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 16,972,127
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>1,488,399</u>
Total Net Pension Liability	<u>\$ 18,460,526</u>

For the year ended December 31, 2015, the Township's total allocated pension expense was \$1,900,095.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

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

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 6. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 6. Pension Obligations (continued):

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 24,336,834	\$ 18,460,526	\$ 13,668,922

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

#### Note 7. Accrued Sick Pay and Vacation Benefits

The Township has a policy that provides for the employees to accrue unused vacation and sick pay. It is estimated that the current costs of such accrued vacation and sick pay would approximate \$1,026,810.

GASB No. 16 requires the accrual of the liability for compensated absences to the extent it's probable that the employer will compensate the employee for the benefits through cash payments conditioned on the employees' termination or retirement. At the present time, all employees covered under the Township's General Personnel Policy, Public Works Employees' Agreement and Communications Officers Agreement are entitled to a buyout of ½ of earned or unused accumulated sick leave (subject to a buyout cap). All employees covered under the Patrolman's Benevolent Association Agreements and the Superior Officers' Associations Agreement are entitled to a buyout of 100% of accumulated sick leave (subject to a buyout cap). All employees covered under the Firefighters Association Agreement are entitled to a buyout of 75% of accumulated sick leave (subject to a buyout cap). As discussed in Note 1 and in accordance with New Jersey accounting principles, this amount is not reported either as an expenditure or liability in the financial statements.

The Township has established a trust fund to provide for future payments of compensated absences. The total trust fund balance was \$220,989 at December 31, 2015.



# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 8. Long-Term Debt

During the year ended December 31, 2015, the following changes occurred in issued Bonds, Loans and Notes:

	Balance December 31, 2014	Issued	Retired	Balance December 31, 2015	Current Portion
General Capital Fund:					
Bonds & Loans					
Payable	\$ 24,084,207	\$ 12,402,000	\$ 2,586,041	\$ 33,900,166	\$ 2,715,252
Compensated Absences	933,746	93,064	-	1,026,810	-
Bond Anticipation Notes	14,049,526	12,838,357	14,049,526	12,838,357	12,838,357
Sewer Utility Capital Fund:					
Bond Anticipation Notes	2,472,500	2,320,000	2,472,500	2,320,000	2,320,000
Net Pension Liability - PFRS	12,342,154	4,629,973	-	16,972,127	-
Net Pension Liability - PERS	9,109,960	1,436,265	-	10,546,225	-
Total	<u>\$ 62,992,093</u>	<u>\$ 33,719,659</u>	<u>\$ 19,108,067</u>	<u>\$ 77,603,685</u>	<u>\$ 17,873,609</u>

Loans payable as of December 31, 2015 are as follows:

	Balance December, 31
<b>New Jersey Environmental Infrastructure Trust (Loan) Payable</b> – Authorized \$695,000, Issued \$665,000 dated November 1, 2001 for the purpose of financing land acquisition, interest rates of 4.00% to 5.50%.	\$216,166
<b>New Jersey Environmental Infrastructure Trust (Loan) Payable</b> – Authorized and Issued \$695,000 dated November 1, 2001 for the purpose of financing land acquisition, interest rate of 0%.	<u>285,000</u>
Total Loan Payable	<u>\$501,166</u>

Bonds Payable as of December 31, 2015 are as follows:

	Balance December, 31
<b>General Obligation Refunding Bonds, Series 2006</b> – Authorized and Issued \$13,650,000 dated June 22, 2006 for the purposes of (i) redeeming \$770,000 of the 1996 Bonds, (ii) advance refund Series 1999 Bonds of \$3,490,000, (iii) advance refund 2001 Series Bonds of \$8,650,000 and (iv) pay certain costs of issuance and delivery equaling \$13,650,000 dated August 1, 2006, interest rates of 4.00% to 4.25%.	\$7,135,000
<b>General Obligation Bonds, Series 2008</b> – Authorized and Issued \$8,910,000 dated December 3, 2008 for the purposes of (i) permanently finance the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds equaling \$8,910,000 dated December 1, 2008, interest rates of 4.00% to 4.25%.	4,435,000



# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 8. Long-Term Debt (continued):

**General Obligation Bonds, Series 2011** – Authorized and Issued \$9,107,000 dated November 15, 2011 for the purposes of (i) permanently finance the costs of various capital improvements and acquisition of equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township and for which obligations have been authorized, but not issued; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the bonds equaling \$9,107,000 dated December 1, 2011, interest rates of 2.00% to 4.00%. 7,847,000

**General Obligation Bonds, Series 2015 Tax-Exempt** – Authorized and Issued \$2,375,000 dated July 21, 2015 for the acquisition of the real property more commonly described as a portion of Block 23, Lot 1 on the Tax Map of the Township in the form of General Obligation Bonds, interest rates of 2.50% to 4.00% 2,375,000

**General Obligation Bonds, Series 2015 Taxable** – Authorized and Issued \$10,027,000 dated July 21, 2015 for the acquisition and mitigation of certain real property located in the south side of the town center and referred to as the Kushner Tract in the form of General Obligation Bonds, interest rates of 3.00% to 4.30% 10,027,000

**General Obligation Refunding Bonds, Series 2014** – Authorized and Issued \$2,230,000 dated May 8, 2014 for the purpose of refunding \$2,310,000 of the 2003 General Obligation Bonds, interest rates of 2.00% to 4.00% 1,580,000

Total Bonds Payable \$33,399,000

Schedule of annual debt service as of December 31, 2015, for principal and interest for Bonded Debt (including Green Trust Loan and New Jersey infrastructure Fund and Trust Loans) issued and outstanding is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,039,754	\$ 1,184,800	\$ 4,224,554
2017	3,176,685	1,129,802	4,306,487
2018	3,335,236	1,014,827	4,350,063
2019	3,477,007	885,140	4,362,147
2020	2,275,397	747,765	3,023,162
2021-2025	7,197,087	2,702,336	9,899,423
2026-2030	5,915,000	1,732,524	7,647,524
2031-2035	2,987,000	863,460	3,850,460
2036-2040	2,497,000	321,105	2,818,105
Total	\$ 33,900,166	\$ 10,581,759	\$ 44,481,925

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### **Note 9. Dissolution of Municipal Utility Authority and Fire District**

##### **A. Dissolution of Municipal Utilities Authority**

On February 22, 2007, the Township Council of the Township of Robbinsville adopted Resolution 2007-46. This resolution authorized the submission of an application to the New Jersey Local Finance Board for the dissolution of the Washington Township Municipal Utilities Authority pursuant to *N.J.S.A. 40A:5A-20*.

On September 12, 2007, a resolution was adopted by the State of New Jersey Local Finance Board approving the dissolution of the Washington Township Municipal Utilities Authority pursuant to *N.J.S.A. 40A:5-20* provided that the Township complies with the conditions set forth in the resolution.

On September 27, 2007, the Township passed Ordinance 2007-46, an Ordinance of the Township of Robbinsville, County of Mercer, New Jersey dissolving the Washington Township Municipal Utilities Authority. This ordinance was signed by the Mayor David L. Fried on October 4, 2007. The effective date of dissolution, as set forth in the ordinance was 11:59 pm on October 14, 2007. Activity for the sewer operations is now reported in the Sewer Utility Operating and Capital Funds (Exhibit D's).

##### **B. Dissolution of the Fire District**

On July 27, 2006, the Township Council of the Township of Robbinsville adopted Resolution 2006-155. This resolution authorized the dissolution of the Washington Township Fire District No. 1 and authorized the submission of an application to the New Jersey Local Finance Board pursuant to *N.J.S.A. 40A:5A-20*.

On November 9, 2006, a resolution was adopted by the State of New Jersey Local Finance Board approving the dissolution of the Washington Township Fire District No. 1 pursuant to *N.J.S.A. 40A:5-20* provided that the Township complies with the conditions set forth in the resolution.

On November 30, 2006, the Township of Robbinsville passed Ordinance 2006-41, an Ordinance of the Township of Robbinsville, County of Mercer, New Jersey dissolving Washington Township Fire District No. 1. This ordinance was signed by the Mayor David L. Fried on December 5, 2006. The effective date of dissolution, as set forth in the ordinance was midnight on December 31, 2006, provided all conditions of the ordinance were met. Activity for fire services is now reported in the Current Fund.

#### **Note 10. Deferred Compensation**

The Township's Deferred Compensation Program is offered to all Township employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the Township through a program administrator, Variable Annuity Life Insurance Company (VALIC) and ING.

The plan was amended in 1998, as required by Internal Revenue Service regulation. All monies that are deferred and any other assets or income of the plan shall be held in trust for exclusive benefit of the participating employees and their beneficiaries. The Township has no liability for losses under the plan.

# TOWNSHIP OF ROBBINSVILLE

## NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

### Note 11. 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 is a member of the Mid Jersey Municipal Joint Insurance Fund and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for Municipalities within the state. The Township pays a actuarially determined annual assessment to the Mercer County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Township has not been notified of any supplemental assessments.

Settled Claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

### Note 12. Other Post Retirement Benefits – GASB 45

Robbinsville Township provides post-employment medical, prescription drug to eligible retired employees and their spouses and additionally dental, and vision benefits to eligible retired firefighters and their spouses. Any Municipal employee hired after January 1, 2006, is ineligible for the above mentioned benefits. Firefighters hired after July 1, 2008, are ineligible for the above mentioned benefits. Public Works employees hired after January 1, 2007, are ineligible for the above mentioned benefits. Employees referred to as 911 employees hired after January 1, 2005, are ineligible for the above mentioned benefits. Robbinsville Township pays 100% of the insurance cost for the retiree.

Robbinsville Township's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in Robbinsville Township's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

		<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$	1,740,824	\$ 1,968,515	\$ 1,968,515
Annual OPEB Cost		1,740,824	1,968,515	1,968,515
Contributions Made		(474,042)	-	-
		<hr/>	<hr/>	<hr/>
Increase in Net OPEB Obligation		1,266,782	1,968,515	1,968,515
Net OPEB, Beginning of Year		<hr/> 17,468,001	<hr/> 15,499,486	<hr/> 13,530,971
Net OPEB, End of Year	\$	<hr/> <hr/> 18,734,783	\$ 17,468,001	\$ 15,499,486
Percentage of Annual OPEB Cost Contributed		27.2%	N/A	N/A

## TOWNSHIP OF ROBBINSVILLE

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 12. Other Post Retirement Benefits – GASB 45 (continued):

The funded status of the plan as of December 31, 2015 was as follows:

Acuarial Accrued Liability (AAL)	\$ 16,968,321
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 16,968,321</u>
Funded Ration	0.0%
Covered Payroll	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphases on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 5.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based medical claims on an annual average claims cost of approximately \$21,204 per covered retiree for family coverage and \$10,602 for single coverage prior to age 65. For retirees age 65 and over we utilized an annual average claims cost of approximately \$15,336 per covered retiree for family coverage and \$9,648 for single coverage. The average claims cost was based on a review of the premiums paid during the twelve months of 2015 for health and prescription drug coverage. Furthermore, we included the cost of dental and vision benefits for the Firefighters. We assumed health care costs would increase annually at a rate of 7%.

Robbinsville Township currently has twenty-seven eligible retired employees receiving retirement benefits. The Net Other Post-Employment Benefit obligation to Robbinsville Township to provide benefits to the retirees for the year ended December 31, 2015, was \$18,734,783.

**TOWNSHIP OF ROBBINSVILLE**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 13. Accounts Receivable**

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>Current Fund</b>	<b>State &amp; Federal Grant Fund</b>	<b>Utility Operating Fund</b>	<b>Total</b>
State Aid	\$ 8,161	\$ 2,346,829	\$ -	\$ 2,354,990
Federal Aid	-	5,000	-	5,000
Taxes	646,398	-	-	646,398
Sewer Rents	-	-	93,461	93,461
Other	48,240	20,000	-	68,240
Total	<u>\$ 702,799</u>	<u>\$ 2,371,829</u>	<u>\$ 93,461</u>	<u>\$ 3,168,089</u>

**Note 14. Subsequent Event – 2016 Bond Issue**

During March of 2016, the Township of Robbinsville approved \$3,850,000 of non-callable General Improvement Refunding Bonds and \$1,840,000 of Open Space Refunding Bonds dated May 5, 2016 which partially refunded the 2006 General Improvement Bonds. Bond principal payments are due each August 1st with various interest rates (2.00% to 5.00%).

**APPENDIX C**

**FORM OF BOND COUNSEL'S OPINION**

July \_\_, 2016

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

Re: Township of Robbinsville, in the County of Mercer, New Jersey  
\$18,466,831 Bond Anticipation Notes, Series 2016A, consisting of \$16,299,331  
General Improvement Bond Anticipation Notes and \$2,167,500 Sewer Utility  
Bond Anticipation Notes

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of Robbinsville, in the County of Mercer, New Jersey (the "Township") of its \$18,466,831 Bond Anticipation Notes, Series 2016A (the "Notes"), consisting of \$16,299,331 General Improvement Bond Anticipation Notes (the "GBAN") and \$2,167,500 Sewer Utility Bond Anticipation Notes (the "SBAN"). The Notes are general obligations of the Township and the full faith, credit and taxing power of the Township are available to pay the principal of and the interest on the Notes. The Notes are dated July 28, 2016, mature on July 27, 2017, bear interest at a rate of \_\_\_\_\_ % per annum payable at maturity, and are not subject to redemption prior to maturity.

The GBAN BAN is issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law"), Bond Ordinances No. 2008-30, 2009-28, 2010-22, 2011-13, 2012-9, 2013-10, 2014-8, 2014-15, 2014-30, 2015-7, 2015-12, 2015-22, 2016-8, 2016-10 and 2016-15 and is being issued to i) currently refund, together with \$185,010 from the Township's accounts, the Township's \$12,838,357 Bond Anticipation Notes, Series 2015A, dated and issued on July 31, 2015 and maturing on July 29, 2016; ii) provide \$3,645,984 in funds for various capital improvements in the Township; and iii) to pay a pro-rata share of the costs associated with the issuance of the Notes.

The SBAN is issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and Bond Ordinances No. 2008-21 and 2010-19 and is being issued for the purpose of refunding, on a current basis and together with \$152,500 appropriated by the Township, the \$2,320,000 Sewer Utility Bond Anticipation Note previously issued by the Township on July 31, 2015 and maturing on July 29, 2016 and to the pay a pro-rata share of the costs associated with the issuance of the Notes.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined such matters of law, including the Local Bond Law, the Local Budget Law and the Code, such documents, including the ordinances set forth above, and such other statutes,

resolutions, certificates, instruments and records of the Township, as we have deemed necessary or appropriate for the purpose of the opinion rendered below. In such examination, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

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

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.
2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.
3. Assuming continuing compliance by the Township with the provisions of the Code pertaining to the issuance of the Notes, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes under current law, and will not be treated as an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. For certain corporate holders, interest on the Notes will be taken into account in the calculation of such holders' alternative minimum tax.
4. Interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

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

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

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

Very truly yours,