

OFFICIAL STATEMENT DATED MAY 31, 2018

New Issue – Book Entry Only

Rating: Not Rated

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest paid to certain corporate holders of the Notes indirectly may be subject to alternative minimum tax under circumstances described under “TAX MATTERS” herein. Based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

**TOWNSHIP OF EWING,
In the County of Mercer, State of New Jersey**

**\$8,913,500 NOTES
Consisting of an
\$8,458,500 Bond Anticipation Note
and a
\$455,000 Special Emergency Note
(Not Bank-Qualified)**

**Dated Date: June 7, 2018
Maturity Date: June 7, 2019
Interest Rate: 3.00%
Re-Offer Yield: 1.85%
CUSIP No. 300551MF2**

The \$8,913,500 Notes, consisting of an \$8,458,500 Bond Anticipation Note (the “Bond Anticipation Note”) and a \$455,000 Special Emergency Note (the “Special Emergency Note” and, together with the Bond Anticipation Note, the “Notes”), of the Township of Ewing, in the County of Mercer, State of New Jersey (the “Township”). The Notes will be issued in the form of one certificate for the aggregate principal amount of each series 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 for the Notes. Interest on the Notes will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. See “THE NOTES – Book-Entry-Only System” herein.

Proceeds from the Bond Anticipation Note will be used to (i) currently refund the \$6,558,500 Bond Anticipation Note, dated August 15, 2017 and maturing June 8, 2018, (ii) provide \$1,900,000 in new money to fund various capital improvements in and by the Township; and (iii) pay the costs associated with the authorization, sale and issuance of the Bond Anticipation Note.

Proceeds from the Special Emergency Note will be used to (i) currently refund \$455,000 of the \$965,000 Special Emergency Note, dated August 15, 2017 and maturing June 8, 2018 (together with a \$510,000 principal reduction payment from the 2018 budget), and (ii) pay the costs associated with the authorization, sale and issuance of the Special Emergency Note.

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

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

The Notes are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal and modification of the offer with notice and to approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Township Attorney, Maeve Cannon, Esq., Stevens & Lee, Lawrenceville, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through DTC in New York, New York, on or about June 7, 2018.

TD Securities (USA) LLC

**TOWNSHIP OF EWING
IN THE COUNTY OF MERCER
NEW JERSEY**

MAYOR

Bert H. Steinmann

TOWNSHIP COUNCIL MEMBERS

Kathy Wollert, President
Kevin Baxter, Vice President
Jennifer Keyes-Maloney
David Schroth
Sarah Steward

BUSINESS ADMINISTRATOR

James P. McManimon

CHIEF FINANCIAL OFFICER

Joanna Mustafa

MUNICIPAL CLERK

Kim J. Macellaro

TOWNSHIP ATTORNEY

Maeve Cannon, Stevens & Lee
Lawrenceville, New Jersey

AUDITOR

The Mercadien Group
Hamilton, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter (as defined herein) or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale 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 or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose.

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

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.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES ARE MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's Capital IQ. The CUSIP number listed on the cover hereof is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Township does not make any representations with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

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**OFFICIAL STATEMENT
Relating to**

**TOWNSHIP OF EWING,
In the County of Mercer, State of New Jersey**

**\$8,913,500 NOTES
Consisting of an
\$8,458,500 Bond Anticipation Note
and a
\$455,000 Special Emergency Note**

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Ewing (the "Township"), in the County of Mercer (the "County"), State of New Jersey (the "State"), in connection with the sale and the issuance of the \$8,913,500 Notes, consisting of an \$8,458,500 Bond Anticipation Note (the "Bond Anticipation Note") and a \$455,000 Special Emergency Note (the "Special Emergency Note" and, together with the Bond Anticipation Note, the "Notes"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

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

THE NOTES

General Description

The Notes are dated, will mature on the date and in the amounts and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 360-day year, consisting of twelve 30-day calendar months. The Notes will be issued in the form of one certificate for the aggregate principal amount of each series of the Notes.

The principal of and interest due on the Notes will be paid to the registered owners by the Township as paying agent (the "Paying Agent"). Principal of and interest due on the Notes will be credited to the registered owner as of the business day immediately preceding the maturity date of the Notes (the "Record Date" for the payment of principal and interest on the Notes).

The Notes are issuable as fully registered book-entry obligations in the form of one certificate in the principal amount of each series of the Notes. The Notes may be purchased in book-entry-only form in the amount of \$1,000 (or any \$1,000 increments thereof and, where necessary, in one \$500 increment) through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC") and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Notes, payments of the principal of and interest on the Notes will be made by the Paying Agent, directly to Cede & Co. (or any successor or assign), as nominee for DTC.

Redemption

The Notes are not subject to redemption prior to its stated maturity.

Book-Entry-Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal of and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township.

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

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

Purchases of 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 the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and its registration in the name of Cede & Co. or such other DTC nominee does 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, if applicable, shall be sent to DTC. If less than all of the Notes are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity to be redeemed.

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

Redemption proceeds, if applicable, and principal and interest payments 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 Paying Agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of DTC, the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") 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.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Bond Anticipation Note

The Bond Anticipation Note has been authorized by and is being issued pursuant to: (i) the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., (the "Local Bond Law"), and (ii) the various bond ordinances of the Township set forth below (the "Bond Ordinances").

Ordinance No.	Description	Refunding Amounts to be Issued	New Money Amounts to Issued
16-13	Rehabilitation of the Hollowbrook Community Center, finally adopted August 16, 2016.	\$4,085,000	
17-19	Various capital improvements, finally adopted June 13, 2017.	\$1,520,000	
17-22	Various capital improvements, finally adopted June 27, 2017.	\$953,500	
18-19	Various capital improvements, finally adopted on May 8, 2018.		\$1,900,000

Proceeds from the Bond Anticipation Note will be used by the Township to (i) currently refund \$6,558,500 of the Township's \$6,558,500 Bond Anticipation Note dated August 15, 2017 and maturing on June 8, 2018; (ii) provide \$1,900,000 in new money to fund various capital improvements; and (iii) pay costs and expenses in connection with the authorization, sale and issuance of the Bond Anticipation Note.

Special Emergency Note

The Special Emergency Note is issued pursuant to the Local Budget Law of the State, N.J.S.A. 40A:4-53(3), and the ordinance of the Township set forth below:

Ordinance No.	Description	Refunding Amounts to be Issued
15-31	Payment of preparation and execution of a complete revaluation, finally adopted September 8, 2015.	\$455,000

Proceeds from the Special Emergency Note will be used by the Township to (i) currently refund \$455,000 of the Township's \$965,000 Special Emergency Note dated August 15, 2017 and maturing on June 8, 2018 (together with a principal reduction payment from the 2018 budget); and (ii) pay costs and expenses in connection with the authorization, sale and issuance of the Special Emergency Note.

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding 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 Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is \$2,852,046,048.00.

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

The Township has not exceeded its statutory debt limit. As of December 31, 2017, the statutory net debt as a percentage of average equalized valuation was 0.978%. As noted above, the statutory limit is 3½%.

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

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

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

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

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

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

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

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

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

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

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

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

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

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

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

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

exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

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

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

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

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. For 2017 the director's assessment ratio for the Township was 70.53%.

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

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

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. These interest rates and penalties are the highest permitted under New Jersey statutes. Delinquent taxes are annually included in an accelerated tax sale in accordance with New Jersey statutes.

Tax Appeals

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2016 for the Township is on file with the Clerk and is available for review during business hours.

TAX MATTERS

Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for

federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. For corporations with tax years beginning after December 31, 2017, the corporate alternative minimum tax was repealed by federal legislation, Public Law No. 115-97 (the "Tax Cuts and Jobs Act") enacted on December 22, 2017, effective for tax years beginning after December 31, 2017. For tax years beginning before January 1, 2018, interest on the Notes is not an item of tax preference for purposes of the corporate alternate minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on Notes held by a corporation (other than an S corporation, regulated investment company or real estate investment trust) may be indirectly subject to federal alternative minimum tax for tax years beginning before January 1, 2018 because of its inclusion in the adjusted current earnings of a corporate holder.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about the effect of future changes in (i) the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Notes may be sold at an initial offering price less than the principal amount payable on such Notes at maturity (the "Discount Notes"). The difference between the initial public offering price of the Discount Notes at which a substantial amount of each of the Discount Notes was sold and the principal amount payable at maturity of each of the Discount Notes constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Notes will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Notes. Under Section 1288 of the Code, the original issue discount on the Discount Notes accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Notes will be increased by the amount of such accrued discount. Owners of the Discount Notes should consult their

own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Notes and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Notes may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Notes"). The excess, if any, of the tax basis of the Premium Notes to a purchaser (other than a purchaser who holds such Premium Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Notes. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Notes should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Notes.

Additional Federal Income Tax Consequences of Holding the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

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.

Changes in Federal Tax Law Regarding the Notes

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

LITIGATION

To the knowledge of the Township Attorney, Maeve Cannon, Esq., Stevens & Lee, Lawrenceville, New Jersey, 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 or 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.

SECONDARY MARKET DISCLOSURE

The Township has covenanted for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the "Rule"). Specifically, for so long as the Notes remains outstanding (unless the Notes has been wholly defeased), the Township will provide in a timely manner not in excess of ten business days after the occurrence of the event,

to the Municipal Securities Rulemaking Board (the "MSRB"), notice of any of the following events with respect to the Notes (herein "Material Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

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

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided pursuant to the Township's undertaking, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

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

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

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings, the Township shall not be liable for monetary damages, remedy being specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

The Township has previously entered into continuing disclosure undertakings under the Rule in respect of its own obligations. The Township appointed Phoenix Advisors, LLC, Bordentown, New Jersey, in May of 2014 to act as Continuing Disclosure Agent to ensure compliance with its continuing disclosure obligations.

There can be no assurance that there will be a secondary market for the sale or purchase of the Notes. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Township may affect the future liquidity of the Notes.

MUNICIPAL BANKRUPTCY

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

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes is subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Township, 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 its Attorney, Maeve Cannon, Esq., Stevens & Lee, Lawrenceville, New Jersey.

MUNICIPAL ADVISOR

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

UNDERWRITING

TD Securities, LLC (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Notes at a purchase price of \$9,010,568.02. The purchase price reflects the principal amount of the Notes, plus original issue premium of \$97,068.02. The Notes are being offered to the public at the yield set forth on the cover page of this Official Statement, which yield may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

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 Underwriter of the Notes, by certificates signed by the Chief Financial Officer of the Township, that to his 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.

The Mercadian Group 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.

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

McManimon, Scotland & Baumann, LLC, 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.

Phoenix Advisors, LLC, 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.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Joanna Mustafa, Chief Financial Officer, Township of Ewing, 2 Jake Garzio Drive, Ewing, New Jersey, 08628, (609) 538-7601 or the Municipal Advisor, Phoenix Advisors, LLC at 4 West Park Street, Bordentown, New Jersey 08505, (609) 291-0130.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the 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 (financial or otherwise) since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF EWING

By: /s/Joanna Mustafa
Joanna Mustafa
Chief Financial Officer

Dated: May 31, 2018

APPENDIX A

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

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INFORMATION REGARDING THE TOWNSHIP¹

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

General Information

The Township covers an area of 15.7 square miles. The Township was formed by an Act of New Jersey State Legislature of February 22, 1834, coinciding with the founding of Mercer County. The Township was named in honor of Charles Ewing, late Chief Justice of New Jersey. Ewing Township is predominantly a residential community. The open land which separated the several communities until after World War II is now almost totally filled with homes, large apartment complexes, State offices, The College of New Jersey, businesses, professional establishments, industries, and hotels.

Local Government

The Township is governed by a Mayor-Council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government provides for, among other things, the direct election of the Mayor and Council, the separation of legislative power from administrative functions, and the employment of full-time professional personnel in the various departments of the Township.

Police Department

The Police Department is located in the Municipal Complex at 2 Jake Garzio Drive.

The department is divided into three functional divisions: administration, uniform services, and investigative/support services.

The department consists of a Chief of Police, two captains, six lieutenants, seven sergeants, seven detectives, 50 patrol officers, and 13 dispatchers.

Fire Department

The Township has three volunteer fire companies: West Trenton, Pennington Road, and Prospect Heights.

The Township provides each of the fire companies with three paid firefighters during the week and pays for all salary related fringe benefits.

¹ Source: The Township (unless otherwise indicated)

Transportation

Interstate I-95 bisects the Township, providing direct access to New York City and Philadelphia. It also connects directly with I-295 and I-195 providing access to the New Jersey Shore.

Trenton-Mercer Airport also serves Ewing's transportation needs. The airport is a modern facility with a concrete runway and control tower.

Public Utilities

Electric and Gas are supplied by Public Service Electric and Gas Company and telephone service by the ATX Communications and Verizon. The City of Trenton supplies the Township with water.

Sanitation

The Township has privatized trash collection under a publically bid contract for five years, 2012 – 2017. Refuse is collected once per week at private homes, apartments, as well as at a percentage of the light industrial and commercial waste in the Township. The Township participates in the county wide recycling program run by the Mercer County Improvement Authority.

Ewing-Lawrence Sewerage Authority

In 1947, Ewing and Lawrence Townships each passed ordinances fanning the Ewing-Lawrence Sewerage Authority ("ELSA" or the "Authority"). The Authority is directed by a six-member board, consisting of three members appointed by the governing bodies of each Township. An executive director licensed by the State supervises its operations. In 1953, the treatment plant, located at 600 Whitehead Road in Lawrence Township, went into operation. It now serves approximately 95% percent of the combined population of the two Townships. At present, a separate sewer rental tax is assessed of those using the system by the two respective governments. ELSA makes no direct charges to private users, but assesses the two governments according to their proportion of total sewer mileage and average flow for jointly used facilities. Currently, Ewing Township makes an approximately 59% proportional payment to ELSA for its share of operating and debt service costs. Separate charges arc assessed to each Township for facilities for its own use.

Recreation

The Mayor appoints the Recreation Commission acts as an advisory board to the Recreation Department. Federal and State grants are obtained to assist the Recreation Department in the development of facilities and making additional land purchases.

There are thirteen parks in Ewing. The five major parks are Moody Park, Armstrong Memorial Park, John Watson Park, Banchoff Park and Municipal Field Complex which operate on a year round basis with organized activities and sports.

Hotels

The Township has three hotels: Ewing Courtyard by Marriott, The Element Hotel and The Marriott Suites.

Retirement Systems

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

Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in the Public Employees' Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"), Department of the State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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Employment and Unemployment Comparisons

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

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2017	19,056	18,226	830	4.4%
2016	19,136	18,228	908	4.7%
2015	19,264	18,250	1,014	5.3%
2014	19,017	17,838	1,179	6.2%
2013	18,924	17,461	1,463	7.7%
<u>County</u>				
2017	198,846	190,683	8,163	4.1%
2016	199,400	190,708	8,692	4.4%
2015	198,447	188,505	9,942	5.0%
2014	195,547	184,035	11,512	5.9%
2013	193,679	179,551	14,128	7.3%
<u>State</u>				
2017	4,518,838	4,309,708	209,123	4.6%
2016	4,530,800	4,305,515	225,262	5.0%
2015	4,537,231	4,274,685	262,531	5.8%
2014	4,527,177	4,221,277	305,900	6.8%
2013	4,548,569	4,173,815	374,738	8.2%

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 2015)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$77,464	\$72,804	\$72,093
Median Family Income	93,135	94,908	88,335
Per Capita Income	32,104	37,680	36,582

Source: US Bureau of the Census, 2015 American Community Survey 5-Year Estimates

Population

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

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2016 Estimate	35,982	0.54%	374,733	2.24%	8,958,013	1.89%
2010	35,790	0.23	366,513	4.49	8,791,894	4.49
2000	35,707	4.45	350,761	7.65	8,414,350	8.85
1990	34,185	-1.89	325,824	5.83	7,730,188	4.96
1980	34,842	6.13	307,863	1.23	7,365,001	2.75

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

Largest Taxpayers

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

<u>Taxpayers</u>	<u>2017 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
New Jersey Manufacturers Insurance Company	\$47,037,200	2.39%
Cole OFC Ewing NJ	34,000,000	1.73%
Ewing Properties/Hilton Management	30,597,000	1.56%
Princeton Office Center	22,010,500	1.12%
Pfizer , Inc.	18,529,900	0.94%
LRF Ewing NJ, LLC	18,500,000	0.94%
Educational Testing Service	14,463,700	0.74%
Mountainview Office Park, LLC	13,712,200	0.70%
Levin Properties	13,313,000	0.68%
American Prop/Jefferson Bear Tav	<u>11,537,100</u>	<u>0.59%</u>
Total	<u>\$223,700,600</u>	<u>11.38%</u>

Source: School District CAFR

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2017U	\$106,886,899	\$106,654,718	99.78%
2016	104,170,491	103,920,768	99.76%
2015	102,611,841	102,300,142	99.70%
2014	102,611,841	102,300,142	99.70%
2013	101,896,160	101,370,173	99.48%

U=Unaudited
Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2017U	\$503,809	\$11,731	\$515,540	0.48%
2016	392,482	27,743	420,225	0.40%
2015	473,467	23,610	497,078	0.48%
2014	402,640	20,133	422,773	0.41%
2013	326,013	11,793	337,807	0.33%

U=Unaudited
Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2017U	\$1,434,500
2016	1,434,500
2015	1,434,500
2014	1,434,500
2013	1,434,500

U=Unaudited
Source: Annual Audit Reports of the Township

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

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

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2017	\$1.359	\$3.045	\$1.001	\$5.405
2016	1.334	3.010	0.988	5.332
2015	1.312	2.959	0.990	5.261
2014	1.293	2.916	1.038	5.247
2013	1.272	2.855	1.037	5.164

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

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Value of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2017	\$1,957,065,650	\$2,774,798,880	70.53%	\$8,884,318	\$2,783,683,198
2016	1,941,409,250	2,859,218,336	67.90	8,823,322	2,868,041,658
2015	1,942,115,050	2,831,071,501	68.60	8,382,930	2,839,454,431
2014	1,929,862,250	2,865,848,307	67.34	9,071,727	2,874,920,034
2013	1,921,751,500	2,840,726,534	67.65	9,094,085	2,849,820,619

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

Classification of Ratables

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2017	\$23,123,900	\$1,333,587,200	\$0	\$503,900,650	\$20,317,200	\$76,136,700	\$1,957,065,650
2016	21,469,400	1,333,113,900	0	496,195,150	20,004,300	70,626,500	1,941,409,250
2015	17,434,100	1,329,254,000	0	503,965,450	18,385,000	73,076,500	1,942,115,050
2014	18,299,700	1,324,231,900	0	503,935,650	18,768,500	64,626,500	1,929,862,250
2013	17,771,300	1,326,103,100	0	494,366,000	18,884,600	64,626,500	1,921,751,500

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

Township Indebtedness as of December 31, 2017

General Purpose Debt	
Serial Bonds	\$19,410,000
Bond Anticipation Notes	6,558,500
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	1,614,705
Total:	<u>\$27,583,205</u>
Local School District Debt	
Serial Bonds	\$3,005,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	\$3,005,000
Self-Liquidating Debt	
Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>
TOTAL GROSS DEBT	<u>\$30,588,205</u>
Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	3,005,000
Self-Liquidating Debt	0
Total:	<u>\$3,005,000</u>
TOTAL NET DEBT	<u>\$27,583,205</u>

Source: Annual Audit Reports of the Township

Overlapping Debt (as of December 31, 2017)

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$3,005,000	100.00%	\$3,005,000
County	531,752,113	6.26%	<u>33,305,703</u>
Net Indirect Debt			\$36,310,703
Net Direct Debt			<u>27,583,205</u>
Total Net Direct and Indirect Debt			<u>\$63,893,908</u>

Debt Limit

Average Equalized Valuation Basis (2015, 2016, 2017)	\$2,821,696,239
Permitted Debt Limitation (3 1/2%)	98,759,368
Less: Net Debt	<u>27,583,205</u>
Remaining Borrowing Power	<u>\$71,176,163</u>
Percentage of Net Debt to Average Equalized Valuation	0.978%
Gross Debt Per Capita based on 2010 population of 35,790	\$855
Net Debt Per Capita based on 2010 population of 35,790	\$771

Source: Annual Audit Reports of the Township

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

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APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF EWING

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**TOWNSHIP OF EWING
COUNTY OF MERCER,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

December 31, 2016

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**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

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COUNTY OF MERCER, STATE OF NEW JERSEY**

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INTRODUCTORY SECTION

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**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

The Comprehensive Annual Financial Report ("CAFR") for the Township of Ewing, County of Mercer, State of New Jersey (the "Township") for the year ended December 31, 2016, is submitted herewith and includes financial statements and supplemental schedules.

New Jersey statutes require that the Township issue a report on its financial position and activity annually and that the report be audited by an Independent Registered Municipal Accountant. We believe that this report is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the Township as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the Township's financial affairs have been included.

The CAFR is presented in four sections: introductory, financial, supplemental schedules and supplementary information.

The introductory section contains this brief description of the municipal and government operations, and a list of elected and public officials. The financial section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report. The supplemental schedules and supplementary information section includes selected financial information designed to give the reader a sense of the financial makeup of the Township. Responsibility for completeness and clarity of the CAFR, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Township Council.

Mercadien, P.C., Certified Public Accountants, of Hamilton, New Jersey, has audited the financial statements. The auditors are independent registered municipal accountants whose opinion is expressed in the financial section. The auditors' opinion is unmodified and states that the financial statements are presented in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

GENERAL DESCRIPTION

The Township is a community of 15.5 square miles located in Mercer County, New Jersey. Hopewell Township borders to the north, Lawrence Township borders to the east, and the state capital, the City of Trenton, borders it on the south.

The Township was formed on February 22, 1834, coincident with the founding of Mercer County. Ewing Township was named in honor of Charles Ewing, late Chief Justice of New Jersey.

The Township is a predominantly residential community. It is home to many State of New Jersey offices, the nationally recognized College of New Jersey, businesses, industries, Township-owned park land and two golf courses. Philadelphia and New York City provide cultural and economic centers that are easily accessible via the interstate and a commuter rail station located within the Township's borders. Air travel is available at the Trenton-Mercer County Airport at Ewing, also located within the Township's borders. We are also home to a SEPTA train station, with service to Philadelphia.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

GENERAL DESCRIPTION (CONTINUED)

For total assessed value in Ewing, 26% (government, church and school) is exempt, 53% is assessed as residential, 20% is commercial/industrial/apartments, and 1% is vacant.

The Township has long been known for its family-owned commercial establishments. These include restaurants, service stations, grocery stores, banks and specialty retail food shops.

GOVERNMENTAL STRUCTURE

The Township is governed by the mayor-council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government was enacted on January 1, 1995, and provides for the direct election of the mayor and council, thus providing for the separation of legislative and administrative functions.

The mayor is elected on a partisan basis to serve a four-year term. The council is comprised of five part-time members elected on a partisan basis and serving the Township for four-year terms. Elections are held every two years, resulting in terms of office that overlap. The mayor participates in council meetings, but is not a voting member of the elected body.

The business administrator is the chief executive and administrator of the Township and is responsible for the day-to-day operations of the government. The business administrator serves at the pleasure of the mayor.

SERVICES

Education

The Ewing Township School District serves the Township, which is coterminous with the district. In addition to the public schools within the district, the Katzenbach School for the Deaf is located in the Township. There are two charter schools located on the Ewing border in the City of Trenton. Higher educational opportunities are available at The College of New Jersey, located in the Township. Rider University, Princeton University and Rutgers University are located within a short distance.

Municipal Clerk

The Township Council appoints the municipal clerk, who is responsible for keeping the minutes and records of the proceedings of the council. The municipal clerk is statutorily responsible for all elections. The Office of the Clerk issues a variety of permits and licenses, including dog licenses and alcoholic beverage permits.

DEPARTMENT OF PUBLIC SAFETY

The Township provides public safety services through a full-time police force, a combination of paid and volunteer firefighters, and 24/7 emergency medical staff.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

DEPARTMENT OF PUBLIC SAFETY (CONTINUED)

Police

The police division consists of 74 uniformed officers. The police department responded to approximately 36,268 service calls during the year ended December 31, 2016.

Fire

The Township is serviced by three fire companies: Prospect Heights Fire Company, Pennington Road Fire Company and the West Trenton Fire Company and supported by District 30 career firefighters during business hours.

Emergency Medical Services

The Township is also served by a paid emergency medical services division, which consists of nine emergency medical technicians. The EMS division responded to 4,254 calls for service during 2016.

DEPARTMENT OF ADMINISTRATION, FINANCE AND PUBLIC WORKS

Finance, Tax Collection and Assessment

The Finance Division is responsible for the collection, disbursement and investment of all Township funds and for debt management. The Finance Division also administers the purchases of all goods and services, assists in the preparation of the municipal budget and provides for the annual audit of all Township financial records.

New Jersey Bond Law authorizes indebtedness for all local units, the amount of which is limited by statute not to exceed 3 ½ percent of the average equalized assessed valuation of the prior three years. As of the year ended December 31, 2016, Ewing Township's debt percentage was 0.927%. The Township has a debt rating of "AA/Stable Outlook" from Standard and Poor.

The Tax Collection Division is accountable for the billing and collection of property taxes and sewer charges. The Tax Assessment Division is responsible for the valuation of property and for defending the Township's position with respect to tax appeals filed.

In the year ended 2016, the Tax Assessor and Tax Collector were responsible for assessing and collecting revenue from approximately 11,823 properties.

Public Works

The labor force of the Division of Public Works consists of separate road, recreation, maintenance and building crews. Ewing Township contracts with a private collector for trash collection.

During the year ended December 31, 2016, the road crew patched miles of local Township roads. The recreation maintenance crew services the numerous parks and facilities located throughout the Township. The building and grounds crew maintains the municipal complex and constructs and repairs municipal buildings and facilities.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

DEPARTMENT OF COMMUNITY SERVICES

Health

The Division of Health enforces the state and local health codes. This division is responsible for inspecting retail food establishments and environmental health inspections. Ewing Township maintains a shared service with Mercer County for the function of health officer. As a service to the Township residents, the health staff offers cholesterol and blood pressure screenings, health education, child and adult health services, flu vaccines and communicable disease control. During the year ended December 31, 2016, the Division of Health conducted approximately 634 inspections and administered more than 1,155 immunizations for infants, children and adults.

Employees of the Division of Health provide Animal Control Services within the Township. The Ewing Animal Shelter is operated and maintained under contract by a local non-profit group and is dedicated to the care and well-being of the animal population in the Township. Adoption and drop-off services are provided.

Recreation

The Division of Recreation is responsible for the planning and coordination of sporting and other recreational activities for all age groups within the Township. The fees collected for the various activities support the operations of this division. A recreation advisory board comprised of Township residents assists and advises the programs administered by the Division of Recreation. During the year ended December 31, 2016, the Division of Recreation handled over 2,500 participant registrations.

Senior Citizens'/Community Center

The Ewing and Hollowbrook Community Centers are full-service centers offering daycare and recreational activities for both children and adults, as well as for the senior population of the community. During the summer, the pools accommodate neighborhood residents, as well as camps. The County of Mercer has a nutrition center, a daycare facility and a satellite branch of the Mercer County Library on site at Hollowbrook Community Center.

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Planning and Zoning

The Township is continuing to grow and develop as guided by its Master Plan that was fully revised in 2006. The Township Planning Board approved a re-examination of the Master Plan in February 2016.

The current focus in the area of economic development consists of the former General Motors and the Naval Air Propulsion Center sites. This area consists of roughly 115 acres adjacent to the West Trenton Train Station and Trenton-Mercer County Airport at Ewing ("TTN"). The redevelopment plan for these sites and subsequent development proposals call for mixed-use development consisting of housing and roughly 400,000 square foot of commercial space. A spin-off of this development activity has also attracted the possibility of expansion of strip shopping centers, known as Birmingham Plaza and Marazzo's supermarket, both located on Parkway Avenue, directly across from the General Motors site. Other new developments in the West Trenton section of the Township, either approved or nearing approval by various boards, are Riverlinks, a residential age-restricted townhouse complex located off Bear Tavern Road and Scenic Drive, and American Properties "Bear Tavern Greene" residential properties, all inclusive of affordable housing.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (CONTINUED)

Groundbreaking of the former Atchley tract occurred in August 2006, and has progressed steadily to include the current corporate headquarters of Computer Associates, Church and Dwight, FMC N.A., and the Township's third hotel, Springhill Suites by Marriott. There is a fourth hotel approaching the application process as well as an additional 200,000 SF of office space.

Redevelopment of Olden Avenue continues to progress with sites being redeveloped along the corridor, either approved or nearing approval:, such as: SONIC restaurant, on the commercial side, a new Walgreens, Big Bear Natural Foods, Med Express Urgent Care, Wawa, as well as office expansions of the Princeton South Office complex.

Other exciting potential exists with the potential synergy between several development proposals coming forward simultaneously in and around the Boehme Porcelain factory, including a mix of housing and job opportunities.

Ewing Township Redevelopment Agency

The Ewing Township Redevelopment Agency is responsible for the oversight of redevelopment within the Parkway Avenue Redevelopment Area as well as the Olden Avenue Redevelopment Area. The Agency sees all development projects that the Planning Board reviews – seven (7) plus the 17 that do not require Board action.

Construction

The Division of Construction is responsible for enforcement of building codes, as regulated by the State of New Jersey's Uniform Construction Code. We have issued 4,220 combined permits (building 1,196, fire 505, plumbing 1,113, electric 1,405 and elevator 1).

Fire Prevention

The Division of Fire Prevention is responsible for the enforcement of the fire safety codes, as adopted by The State of New Jersey, Division of Fire Safety, for existing buildings. By ordinance for council's adoption, all commercial establishments are inspected at least once per year, and certain establishments capable of posing life hazards are inspected four times per year. The division is currently inspecting all restaurants four times per year to prevent problems with grease accumulation on hoods and grills and blocked or locked exits. At the request of the State Division of Fire Safety, off-hour inspections for fire violations were conducted for all restaurants, nightclubs and taverns. We have conducted 297 fire-prevention inspections. With the prospective passing of the ordinance requiring all commercial buildings to be re-inspected, our workload has increased, as we now inspect all non-life hazard buildings, nursing homes and daycare centers four times a year.

Housing

The Division of Housing is responsible for inspections of all buildings being resold and all commercial properties experiencing tenant turnover.

We conducted over 892 property maintenance inspections for rental properties during the year ended December 31, 2016. For the year ended December 31, 2016, there were 911 resale properties in the

TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT (CONTINUED)

Township. In addition, there were 686 property maintenance complaints, 17 zoning complaints, 511 grass violations, and 465 Vacant Property registrations.

Economic Condition and Outlook

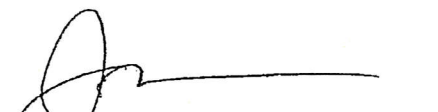
Capitalizing on the continued growth in the office, retail and commercial marketplace, the Township is coordinating the future development of the three large tracts of land within its boundaries to create a synergistic approach that is designed to lead forward the creation of a Town Center.

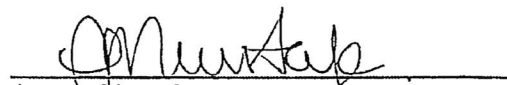
The General Motors plant has been transferred to the Racer Trust, a court-mandated Trust designed to get the property back to productive use for the General Motors Corporation. Construction began in 2016 on a mixed-use town center, to include multi-family housing above retail along Parkway Avenue.

Across the street, the Naval Air Propulsion Center is primed for development as well, with 306,000 square foot of retail.

Along Parkway Avenue investment in economic development is growing with a WaWa coming to the corner of Scotch Road and Silvia Street. Other property owners and developers are exploring their redevelopment potential to build on the town center development.

Overall, the economic outlook for the Township is a favorable one. The commercial growth in our business parks, along with the quick turnover of real property sales, has established the Township as a viable asset to Mercer County, along the I95 corridor. The next 3-5 years will be critical from a development and tax stabilization perspective, as the Township attempts to regain what it lost to surrounding communities in the last two decades.


James P. McManimon
Business Administrator


Joanna Mustafa
Chief Financial Officer

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

TOWNSHIP OF EWING

ELECTED OFFICIALS

Bert H. Steinmann – Mayor
David Schroth – President
Sarah Steward – Council Vice President
Kevin Baxter – Council Person
Jennifer Keyes-Maloney – Council Person
Kathy Wollert – Council Person

MUNICIPAL OFFICIALS

James P. McManimon – Business Administrator
Joanna Mustafa – Chief Financial Officer/Assistant Business Administrator
Theodore Forst – Director of Community Services
John P. Stemler III – Chief of Police
Roger Haley – Municipal Court Judge
Maryann Convenio – Court Administrator
Sharon McNellis-Kissel – Health Officer
Thomas Hespe – Tax Collector
Jeff Burd – Tax Assessor
James Scott – Construction Official

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

INTRODUCTORY SECTION - UNAUDITED

DECEMBER 31, 2016

CONSULTANTS AND ADVISORS

AUDITORS

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ATTORNEYS

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Lawrenceville, NJ 08648

BOND COUNSEL

McManimon, Scotland & Baumann LLC
Attorneys at Law
75 Livingston Avenue
2nd Floor
Roseland, NJ 07068

CONSULTING ENGINEER/PLANNER

Robert Mannix, Remington, Vernick and Arango

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Council Members of
the Township of Ewing,
County of Mercer, State of New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Ewing, County of Mercer, State of New Jersey (the “Township”), as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors' 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 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 auditors’ 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

As described in Note A of the financial statements, the financial statements are prepared by the Township on the basis of financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion

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 each fund and account group of the Township as of December 31, 2016, or the results of its operations and changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group, as of December 31, 2016, and their respective results of operations and changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

Report on Summarized Comparative Information

We have previously audited the Township's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2016, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary and Other Information

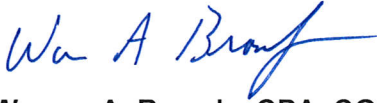
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental schedules are required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Supplementary and Other Information (Continued)

The introductory section and supplementary information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



**Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554**

**MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

June 12, 2017

BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE – ALL FUND TYPES AND ACCOUNT GROUP
December 31, 2016
(With Comparative Totals for 2015)**

	Current & Grant Funds	General Capital Fund	Trust Funds	Sewer Operating Fund	Fixed Asset Account Group	Totals	
						December 31, 2016	December 31, 2015
ASSETS							
Cash	\$ 7,213,471.48	\$ 5,635,108.32	\$ 3,956,702.87	\$ 254,359.02	\$ -	\$ 17,059,641.69	\$ 19,613,777.04
Intergovernmental Receivable	-	-	-	-	-	-	53,072.82
Federal and State Grants Receivable	907,011.32	-	-	-	-	907,011.32	1,009,703.60
Other Receivables and Other Assets							
Delinquent Property Taxes	27,743.31	-	-	-	-	27,743.31	23,610.29
Delinquent Sewer Fees	-	-	-	42,009.79	-	42,009.79	4,696.08
Tax and Sewer Liens Receivable	392,482.80	-	-	531.07	-	393,013.87	473,998.34
Property Acquired for Taxes	1,434,500.00	-	-	-	-	1,434,500.00	1,434,500.00
Interfunds Receivable	285,825.96	153,154.00	9,008.46	-	-	447,988.42	283,510.80
Deferred Charges	965,000.00	26,437,879.13	-	11,569.02	-	27,414,448.15	22,551,872.55
Fixed Assets	-	-	-	-	42,801,425.51	42,801,425.51	41,532,004.51
	<u>\$ 11,226,034.87</u>	<u>\$ 32,226,141.45</u>	<u>\$ 3,965,711.33</u>	<u>\$ 308,468.90</u>	<u>\$ 42,801,425.51</u>	<u>\$ 90,527,782.06</u>	<u>\$ 86,980,746.03</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE – ALL FUND TYPES AND ACCOUNT GROUP (CONTINUED)
December 31, 2016
(With Comparative Totals for 2015)

	Current & Grant Funds	General Capital Fund	Trust Funds	Sewer Operating Fund	Fixed Asset Account Group	Totals	
						December 31, 2016	December 31, 2015
LIABILITIES, RESERVES AND FUND BALANCE							
Appropriation Reserves	\$ 1,415,590.18	\$ -	\$ -	\$ 23,096.07	\$ -	\$ 1,438,686.25	\$ 1,908,468.28
Federal, State and Other Grants							
Appropriated Reserves	880,194.43	-	-	-	-	880,194.43	1,085,795.54
Unappropriated Reserves	-	-	-	-	-	-	10,231.10
Other Liabilities and Reserves	2,307,603.04	5,437,788.22	3,903,633.75	17,349.90	-	11,666,374.91	9,647,027.86
Improvements Authorizations	-	4,345,609.42	-	-	-	4,345,609.42	3,366,384.29
Due to State of New Jersey	2,120.00	-	2,127.40	-	-	4,247.40	4,086.00
Interfund Payable	163,219.16	-	59,950.18	224,819.08	-	447,988.42	283,510.80
County Tax Payable	52,153.06	-	-	-	-	52,153.06	17,566.57
Serial Bonds	-	21,410,000.00	-	-	-	21,410,000.00	7,499,000.00
Bond Anticipation Notes	-	-	-	-	-	-	12,435,062.00
Green Trust Loan Payable	-	133,166.51	-	-	-	133,166.51	161,173.99
NJ Environmental Infrastructure Trust Loan Payable	-	809,093.62	-	-	-	809,093.62	1,061,795.58
MCIA Lease Payable	-	-	-	-	-	-	171,462.16
Reserve for Receivables and Other Assets	2,139,280.86	-	-	42,540.86	-	2,181,821.72	2,080,949.46
Investment in General Fixed Assets	-	-	-	-	42,801,425.51	42,801,425.51	41,532,004.51
Capital Improvement Fund	-	10,082.15	-	-	-	10,082.15	106,220.15
Fund Balance	4,265,874.14	80,401.53	-	662.99	-	4,346,938.66	5,610,007.74
	<u>\$ 11,226,034.87</u>	<u>\$ 32,226,141.45</u>	<u>\$ 3,965,711.33</u>	<u>\$ 308,468.90</u>	<u>\$ 42,801,425.51</u>	<u>\$ 90,527,782.06</u>	<u>\$ 86,980,746.03</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL – CURRENT FUND**

Year Ended December 31, 2016

	<u>Budget as Modified</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fund Balance Anticipated	\$ 2,064,943.09	\$ 2,064,943.09	\$ -
Miscellaneous Revenues	1,454,000.00	1,300,068.82	(153,931.18)
State Aid without Offsetting Appropriations	9,766,271.00	9,766,271.00	-
Special Items with Offsetting Appropriations	698,343.28	695,037.04	(3,306.24)
Special Items with Consent of the Director	3,943,361.84	4,007,201.95	63,840.11
Receipts from Delinquent Taxes	90,000.00	261,240.32	171,240.32
Amount to Be Raised by Taxes for Support of Municipal Budget	<u>26,018,360.52</u>	<u>26,069,114.28</u>	<u>50,753.76</u>
 Total Budget Revenues	 44,035,279.73	 44,163,876.50	 128,596.77
 Other Credits to Income	 <u>-</u>	 <u>79,402,306.53</u>	 <u>79,402,306.53</u>
 Total Revenues	 <u>44,035,279.73</u>	 <u>123,566,183.03</u>	 <u>79,530,903.30</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Appropriations within "CAPS" Operations			
Salaries and Wages	17,764,181.31	17,764,181.31	-
Other Expenses	16,232,754.89	16,232,754.89	-
Deferred Charges and Statutory Expenditures - Municipal			
Expenditures - Municipal within "CAPS"	4,492,617.82	4,492,617.82	-
Appropriations Excluded from "CAPS"			
Operations			
Other Expenses	2,004,218.18	2,004,218.18	-
Capital Improvements	100,000.00	100,000.00	-
Municipal Debt Service	3,091,991.01	3,091,990.19	0.82
Reserve for Uncollected Taxes	94,516.52	94,516.52	-
Deferred Charges - Municipal Excluded from "CAPS"	<u>255,000.00</u>	<u>255,000.00</u>	<u>-</u>
 Total Budget Expenditures	 <u>44,035,279.73</u>	 <u>44,035,278.91</u>	 <u>0.82</u>
 Other Expenses and Charges to Income			
Other Expenses		<u>78,372,917.36</u>	<u>(78,372,917.36)</u>
 Total Expenditures	 <u>44,035,279.73</u>	 <u>122,408,196.27</u>	 <u>(78,372,916.54)</u>
 Excess of Revenues over Expenditures	 <u>\$ -</u>	 <u>1,157,986.76</u>	 <u>\$ 1,157,986.76</u>
 Fund Balance January 1, 2016		 <u>5,172,830.47</u>	
		<u>6,330,817.23</u>	
 Decreased by: Utilization in Budget		 <u>2,064,943.09</u>	
 Fund Balance December 31, 2016		 <u>\$ 4,265,874.14</u>	

See notes to financial statements.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
CURRENT AND SEWER OPERATING FUNDS
Year Ended December 31, 2016**

	Current	Sewer
REVENUES		
Fund Balance Anticipated	\$ 2,064,943.09	\$ 200,000.00
Miscellaneous Revenues	1,300,068.82	-
State Aid without Offsetting Appropriations	9,766,271.00	-
Special Items with Offsetting Appropriations	695,037.04	-
Special Items with Consent of the Director	4,007,201.95	-
Receipts from Delinquent Taxes	261,240.32	-
Sewer Charges	-	8,277,750.05
Amount to Be Raised by Taxes for Support of Municipal Budget	26,069,114.28	-
Total Budget Revenues	44,163,876.50	8,477,750.05
Other Credits to Income	79,402,306.53	882.70
Total Revenues	123,566,183.03	8,478,632.75
EXPENDITURES		
Budget and Emergency Appropriations		
Appropriations within "CAPS" Operations		
Salaries and Wages	17,764,181.31	50,000.00
Other Expenses	16,232,754.89	5,000.00
Deferred Charges and Statutory Expenditures - Municipal Expenditures - Municipal within "CAPS"	4,492,617.82	-
Appropriations Excluded From "CAPS" Operations		
Other Expenses	2,004,218.18	-
Capital Improvements	100,000.00	-
Municipal Debt Service	3,091,990.19	-
Reserve for Uncollected Taxes	94,516.52	-
Deferred Charges - Municipal Excluded from "CAPS"	255,000.00	-
ELSA Charges	-	8,435,201.77
Total Budget Expenditures	44,035,278.91	8,490,201.77
Other Expenses and Charges to Income	78,372,917.36	-
Total Expenditures	122,408,196.27	8,490,201.77
Excess of Revenues over Expenditures	1,157,986.76	(11,569.02)
Adjustment to Surplus before Fund Balance		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	-	11,569.02
Statutory Excess to Fund Balance	1,157,986.76	-
Fund Balance January 1, 2016	5,172,830.47	200,662.99
	6,330,817.23	200,662.99
Decreased by		
Utilization in 2016 Budget	2,064,943.09	200,000.00
Fund Balance December 31, 2016	\$ 4,265,874.14	\$ 662.99

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NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Township of Ewing (the "Township") include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S. 40A:5-5. However, the operations of the Municipal Library, Board of Education, first aid organizations, and volunteer fire companies or fire districts are not included in the Township's financial statements.

Description of Funds

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgeting restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate governmental funds:

Current and Grant Funds – The Current and Grant Funds are used for resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

Trust Funds – The Trust Funds are used for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, pursuant to the provisions of N.J.S.A. 40A:4-39.

General Capital Fund – The General Capital Fund is used for the receipt and disbursement of funds for acquisition of general capital facilities, including federal and state grants in aid of construction, other than those acquired in the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Operating Fund – Receipt of sewer fees and disbursement of funds for the operation of Ewing-Lawrence Sewerage Authority.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units.

The Governmental Accounting Standards Board ("GASB") is the accepted standards-setting body for establishing government accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with GAAP. This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the general-purpose financial statement required by GAAP.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

A modified accrual basis of accounting is followed with minor exceptions. Modifications from the accrual basis are as follows:

- Revenues are recorded when received in cash, except for certain amounts that are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the combined statement of assets, liabilities, reserves and fund balance of the Township's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are due to the Township are also recorded as receivables with offsetting reserves and are recorded as revenue when received.
- Reserve for Uncollected Taxes represents an appropriation made to allow total current tax billings to be levied at an amount greater than the appropriations needed. Reserve for Uncollected Taxes is not recognized under GAAP.
- Cash equivalents are carried at cost. Purchases are limited by New Jersey Statute 40A:5-15.1 to bonds or obligations of the federal government guaranteed by said government and bonds or other obligations of federal or local units having a maturity date no more than 397 days from the date of purchase.
- Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and are 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 year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis, and interest on general capital indebtedness is on the cash basis. Expenditures for compensated absences are recorded in the accounting period in which the payments are made to the dedicated trust fund established for this purpose.
- Pension expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation at the time such property was acquired. The balance of foreclosed property is fully reserved.

Interfund Receivables and Payables - Interfund receivables in the Current Fund are recorded with offsetting reserves; interfund payables are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Inventories of Supplies - The cost of inventories of supplies for all funds is recorded as an expenditure at the time individual items are purchased. The cost of inventories is not included in the current fund statement of assets, liabilities, reserves and fund balance.

General Fixed Assets – In accordance with New Jersey Administrative Code 5:305-6, Accounting for Government Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township is required to have and maintain a fixed asset and reporting system for non-expendable personal property with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year.

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

For the classification of land, buildings and other improvements, actual cost was used. With respect to machinery and equipment, actual cost was used whenever possible. However, a significant number of items were valued at their estimated or replacement costs, since the original costs were not available. No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and the related asset is placed in operation.

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

It is the policy of the Township not to capitalize interest cost on fixed assets constructed.

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

Total Columns – Memorandum Only

Total columns are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with accounting principles generally accepted in the United States of America, nor are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes amounts on deposit, petty cash, change funds and short-term investments with original maturities of 90 days or less.

Deposits were with contracted depository banks in interest-bearing accounts that were insured under the New Jersey Governmental Unit Deposit Protection Act ("NJGUDPA"). All such deposits are held in the Township's name.

NJGUDPA permits the deposit of public funds in the State of New Jersey Cash Management Fund or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits. NJGUDPA requires public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by FDIC or National Credit Union Share Insurance Fund ("NCUSIF") insurance. The collateral which may be pledged to support these deposits includes obligations of state and federal governments, insured securities and other collateral approved by the Department of Banking and Insurance. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged.

If a governmental depository fails and the FDIC or NCUSIF insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

As of December 31, 2016, the Township's bank balances were exposed to risk as follows:

Insured and Collateralized	\$ 250,000.00
Uninsured and Collateralized	16,415,030.06
Total	<u><u>\$16,665,030.06</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the FDIC. The Township Council approves and designates the authorized depository institution based on an evaluation of solicited responses and certifications provided by financial institutions.

Concentration of Credit Risk – This is the risk associated with the amount of investments the Township has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the Township are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk, however, the Township had no investments that were subject to credit risks as of December 31, 2016.

Interest Rate Risk – This is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

C. LONG-TERM DEBT

Summary of Municipal Debt

	December 31,		
	2016	2015	2014
General - Bonds and Notes			
Bond anticipation notes due August 15, 2016, at an interest rate of 0.85% per annum	\$ -	\$ 12,435,062.00	\$ 3,966,000.00
General obligation bonds, due September 1, 2016, at an interest rate of 4.00% per annum	-	1,750,000.00	3,250,000.00
General Improvement Bonds, due March 15, 2022, at interest rates ranging from 2.00% to 3.00% per annum	5,249,000.00	5,749,000.00	6,424,000.00
General Improvement Bonds, due September 1, 2026, at interest rates ranging from 2.00% to 4.00% per annum	16,161,000.00	-	-
Green Trust Loans			
Moody Park/Fasolino Field - due September 25, 2021, at an interest rate of 2.0% per annum	133,166.51	161,173.99	188,629.61
New Jersey Environmental Infrastructure Trust Loan - due August 1, 2019, at an interest rate of 2.0% per annum	809,093.62	1,061,795.58	1,311,206.58
Total Issued	22,352,260.13	21,157,031.57	15,139,836.19
General Bonds and Notes Authorized but not Issued	4,085,619.00	-	4,313,000.00
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 26,437,879.13</u>	<u>\$ 21,157,031.57</u>	<u>\$ 19,452,836.19</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

C. LONG-TERM DEBT (CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of 0.927%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 5,990,000.00	\$ 5,990,000.00	\$ -
Other Bonds and Notes	26,437,879.13	-	26,437,879.13
	<u>\$32,427,879.13</u>	<u>\$ 5,990,000.00</u>	<u>\$26,437,879.13</u>

Summary of Statutory Debt Condition - Annual Debt Statement

Borrowing power under N.J.S.A. 40A:2-6 as amended

3-1/2% of equalized valuation basis (municipal)	\$ 99,821,611.68
Net debt	<u>26,437,879.13</u>
Remaining borrowing power	<u>\$ 73,383,732.55</u>

Net debt of \$26,437,879.13 divided by average equalized valuation basis per N.J.S.A. 40A:2-2 of \$2,852,046,048 equals 0.927%. A revised annual debt statement should be filed by the Chief Financial Officer.

The following is a schedule of annual debt service for principal and interest on general bonded debt, Green Trust Loans, and the NJ Environmental Infrastructure Trust Loan issued and outstanding to maturity:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,292,553.42	\$ 796,596.00	\$ 3,089,149.42
2018	2,335,180.69	719,660.00	3,054,840.69
2019	2,338,806.31	646,760.00	2,985,566.31
2020	2,080,328.08	320,290.00	2,400,618.08
2021	2,120,391.86	270,290.00	2,390,681.86
2022-2026	11,184,999.77	719,704.77	11,904,704.54
	<u>\$22,352,260.13</u>	<u>\$ 3,473,300.77</u>	<u>\$25,825,560.90</u>

Green Trust Program Loans - The Township has contracted with the State of New Jersey, Department of Environmental Protection for Green Trust Program Loans to fund a portion of the costs incurred in the construction of Banchoff Park, Municipal Complex projects and Moody Park/Fasolino Field.

New Jersey Environmental Infrastructure Trust Loan – The Township has contracted with the State of New Jersey, Department of Transportation to fund a portion of the costs incurred in the reconstruction of various roads and the stabilization of Shabakunk Creek.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily finance various capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the original note. The State of New Jersey also prescribes that, on or before the third anniversary of the date of the original note, a payment of at least equal to the first legally payable installment of the bonds, in anticipation of which such notes were issued, be paid or retired. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary of the date of the original issue. At December 31, 2016, the Township did not have any bond anticipation notes payable outstanding.

E. FUND BALANCE APPROPRIATED

Current fund balances were appropriated and included as anticipated revenue in the succeeding years' budgets for the past five years as follows:

<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
December 31, 2016	\$ 4,265,874.14	\$ 1,925,000.00
December 31, 2015	5,172,830.47	2,064,943.09
December 31, 2014	4,712,720.61	2,400,000.00
December 31, 2013	6,366,993.59	2,974,530.85
December 31, 2012	6,656,619.74	2,599,839.90

General capital fund balances were appropriated and included as anticipated in the succeeding years' Current Fund Budgets as follows:

<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
December 31, 2016	\$ 80,401.53	\$ -
December 31, 2015	236,514.28	-
December 31, 2014	194,049.30	-
December 31, 2013	183,658.38	-
December 31, 2012	120,291.69	-

Sewer operating fund balances were appropriated and included as anticipated in the succeeding years' sewer operating fund budgets as follows:

<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
December 31, 2016	\$ 662.99	\$ -
December 31, 2015	200,662.99	200,000.00
December 31, 2014	208,328.29	200,000.00
December 31, 2013	552,601.48	322,000.00
December 31, 2012	548,683.72	174,568.45

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

F. PROPERTY TAXES & SEWER USAGE CHARGES

Assessment of Tax

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County, the tax rate is struck by the board based on the certified amounts in each of the taxing districts. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13.

Collection of Tax

Taxes become a lien on property as of January 1. The tax bills are prepared and mailed by the Collector of Taxes of the Township semi-annually in January and July. The January tax bill, which is payable in equal installments on February 1 and May 1, is an estimated bill based on amounts due to the various taxing districts during the first six months of the calendar year. The municipal portion of the tax is based on the municipal rate for the current fiscal year.

The July tax bill, which is due in equal installments on August 1 and November 1, represents the actual total tax for the year less the amount billed in January. A complete breakdown of the tax levy for each taxing district is included on the July bill.

Taxes become delinquent if not paid on the installment dates or within the ten-day grace period and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent on or after April 1 of the succeeding year, the delinquent amount is subject to "Tax Sale," which places a tax lien on the property, allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

Collection of Tax ("Collection")

Beginning in January 2001, the Township issued separate bills for sewer usage charges. Previously, such charges were included in the property tax bills. The sewer usage charges are based on the water consumption for the previous year as reported to the Township by the City of Trenton and are due on April 1 and October 1.

G. SCHOOL AND COUNTY TAXES

The local school district tax levy for the year 2016 was \$58,693,834.00.

The tax levy for 2016 for county taxes was \$19,271,964.92.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS

A substantial number of the Township's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey the Division of Pensions and Benefits. Both plans have a board of trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

Plan Description

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. 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

PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pension and Benefits. For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at link above.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirements 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.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS (CONTINUED)

For PFRS, 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 for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
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.

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation of each year of creditable service, as defined, up to 20 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 50% (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 10 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 PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. 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.

A special funding situation exists for the local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under 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 June 30, 2016, State special funding situation net pension liability amount of \$1,604,141,087, is the accumulated difference between the annual actuarially determined state obligation under the special funding situation and the actual state contribution through the valuation date. The state special funding situation pension expense of \$204,886,666, for the fiscal year ending June 30, 2016, is the actuarially determined contribution amount that the state owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a state administrative expense due to the special funding situation.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS (CONTINUED)

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. 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.

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 that 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 nonemployer 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 or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. The portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$3,839,416.00.

The Township is billed annually for its normal contribution plus any accrued liability. Contribution to PERS from the Township was \$1,257,656 for the year ended June 30, 2016. Contribution to PFRS from the Township was \$2,340,083 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Township had a liability of \$33,630,620 for its proportionate share of the net pension liability in PERS and \$45,720,831 for its proportionate share of the net pension liability in PFRS. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability 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 of the plan, actuarial determined. At June 30, 2016, the Township's proportion was .1135512403%, which was an increase of .007 from its proportion measured as of June 30, 2015, for PERS and .2393440259%, which was a decrease of .013 from its proportion measured as of June 30, 2015, for PFRS.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS (CONTINUED)

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 625,428.00	\$ -	\$ 6,332,711.00	\$ 299,707.00
Changes in assumptions	6,966,468.00	-	3,203,567.00	-
Net difference between projected and actual investment earnings on pension plan investments	1,282,366.00	-	-	-
Changes in proportion	2,145,984.00	-	-	3,379,510.00
	<u>\$ 11,020,246.00</u>	<u>\$ -</u>	<u>\$ 9,536,278.00</u>	<u>\$ 3,679,217.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PERS	PFRS
2017	\$ 1,997,959.61	\$ 2,211,012.34
2018	1,997,959.61	2,211,012.34
2019	2,314,703.21	2,979,098.50
2020	1,944,689.20	1,761,642.58
2021	618,950.34	73,804.91
	<u>\$ 8,874,261.97</u>	<u>\$ 9,236,570.67</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.08%	3.08%
Salary Increases: 2012-2021 (based on age)	1.65 - 4.15%	2.10 - 8.98%
Salary Increases: Thereafter (based on age)	2.65 - 5.15%	3.10 - 9.98%
Investment rate of return	7.65%	7.65%

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back three years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

For PFRS, Pre-retirement mortality rates were based on the RP-2000 Pre-retirement Mortality Tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality table used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with state statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 rate 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 and PFRS's target asset allocation as of June 30, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High-Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	9.61%
Commodities	0.50%	4.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSIONS (CONTINUED)

Public Employees' Retirement System ("PERS")

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Police and Firemen's Retirement System ("PFRS")

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal 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 non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point high than the current rate:

	At 1%	At current discount	At 1%
PERS	<u>decrease (2.98%)</u>	<u>rate (3.98%)</u>	<u>decrease (4.98%)</u>
	41,210,400	33,630,620	27,372,855
	At 1%	At current discount	At 1%
PFRS	<u>decrease (4.55%)</u>	<u>rate (5.55%)</u>	<u>decrease (6.55%)</u>
Local	63,904,305	49,560,247	47,384,199

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

I. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees became eligible for unemployment compensation insurance (N.J.S. 43:21-3 et seq.). The Township had elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims are paid. Claims totaling \$32,710.74 were paid during the year ended December 31, 2016.

J. WORKERS' COMPENSATION INSURANCE

The Township maintains a self-insurance plan for workers' compensation insurance that is administered as a trust by an insurance agency. An annual current fund appropriation is made to the trust, and claims are paid from the trust. Interest earned is also added to the trust. As of the year ended December 31, 2016, a reserve for worker's compensation and self-insurance of \$272,929.45 was included in the Trust Fund. The 2016 appropriation was \$435,000.00. Claim payments amounted to \$58,000.41, net of refunds.

K. PENDING LITIGATION

The Township has been named in several claims and lawsuits. In addition, there are several pending tax appeals. It is counsel's and management's opinion that any liability resulting from these matters would be covered by insurance and existing Township reserves.

L. OTHER POST EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS

Plan Description

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

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1981 the Township authorized participation in the SHBP's post-retirement benefit program (Chapter 88) through resolution number 81R-114. The Township adopted the provisions of Chapter 88 for providing continued health care benefits to employees retiring after twenty-five years of service. Township eligible employees receive the SHBP benefits as noted in paragraph one. On August 12, 2015, the Township authorized changes to the provisions of Chapter 88, via an amending Chapter 48 resolution 14R-149. This resolution changed the qualifiers for post-retirement health benefits for all employees hired after September 1, 2015; limiting post-retirement benefits to those employees who have twenty-five years in a local pension system but with a minimum of fifteen of those years with the Township. Medical, prescription, mental health/substance abuse coverage, and Medicare reimbursement are now limited to the employee only.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

L. OTHER POST EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS (CONTINUED)

Plan Description (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. Contributions, funding and the cost sharing policy, and the manner of administration are determined by the state.

The Township’s contributions to SHBP for retirees for the years ended December 31, 2016, 2015 and 2014, were \$2,701,524.35, \$2,535,152.97 and \$2,220,321.09, respectively, which equaled the required contributions for each year. There were approximately 136, 136 and 138 retired participants eligible at December 31, 2016, 2015 and 2014, respectively.

M. UNUSED SICK LEAVE, VACATION BENEFITS AND PERSONAL TIME

The Township has permitted employees to accrue sick leave pay, which may be taken as time off or paid at a later date. Each year, a provision is made in the budget to cover the estimated annual cost of such payments.

The Township’s policy with respect to unused vacation is to permit employees to carry over such vacation for one year unless approved otherwise by the council. The Township’s policy with respect to personal time is to permit police officers to receive the value of all personal time earned but unused in the year of their retirement per their union contract.

The total balance of unused sick, vacation and personal time benefits amounted to approximately \$2,408,482.40 as of the year ended December 31, 2016. Such amounts are not included in accrued liabilities at December 31, 2016, in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

N. COMMITMENTS

The majority of the Township employees are represented through the following collective bargaining units:

Bargaining Unit	Contract Expiration Date
Police Benevolent Association	December 31, 2018
Superior Officers Association	December 31, 2018
Communication Workers of America	December 31, 2015 *
Fireman's Mutual Benevolent Association - Fire	December 31, 2016 *
Fireman's Mutual Benevolent Association - EMT	December 31, 2017
AFSCME (2 Contracts)	December 31, 2019
IBEW Managers and Supervisors Union	December 31, 2019

*Currently in negotiation

County Guaranteed Lease Bank Leasing Program, Series 2006

In November 2006, the Township entered into three master or sublease purchase agreements for the purchase of various equipment with two sublessors, Mercer County Improvement Authority ("MCIA") and Commerce Leasing, LLC. The agreements range from three to ten years with maximum purchases of equipment totaling \$2,744,605.00. The Township's budgetary rental payments for the year ended December 31, 2016, was \$171,462.16, which was made in 2016.

O. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. As of the year ended December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the various funds:

	Balance December 31, 2016	2017 Budget Appropriation	Balance to Succeeding Budgets
Emergency Authorizations	\$ 965,000.00	\$ 255,000.00	\$ 710,000.00
	<u>\$ 965,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 710,000.00</u>

P. SUBSEQUENT EVENT

Management has evaluated subsequent events that occurred after the statement of assets, liabilities, reserves and fund balance date and through June 12, 2017, the date the financial statements were available to be issued. No subsequent events were noted that required disclosure.

SUPPLEMENTAL SCHEDULES

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

		December 31,	
		2016	2015
ASSETS			
Current Fund			
Cash and Cash Equivalents		\$ 7,032,178.82	\$ 7,895,402.25
Intergovernmental Receivables			
Due from State of New Jersey -			
Senior Citizens and Veterans Deductions		-	35,572.82
Total Intergovernmental Receivables		-	35,572.82
Other Receivables and Assets			
Delinquent Property Taxes Receivable	A-3	27,743.31	23,610.29
Tax Title Liens Receivable	A-4	392,482.80	473,467.27
Property Acquired for Taxes, Assessed Valuation	A-10	1,434,500.00	1,434,500.00
Interfund Accounts Receivable		284,554.75	144,144.75
Total Receivables and Other Assets with Full Reserves		2,139,280.86	2,075,722.31
Deferred Charges			
Overexpenditures		-	3,378.82
Emergency Authorizations		965,000.00	1,220,000.00
Total Deferred Charges		965,000.00	1,223,378.82
Sub-total		10,136,459.68	11,230,076.20
Federal and State Grant Fund			
Cash		181,292.66	186,391.60
Federal and State Grant Fund Receivable	A-7	907,011.32	1,009,703.60
Due from Current Fund		1,271.21	-
Sub-total		1,089,575.19	1,196,095.20
Total		\$ 11,226,034.87	\$ 12,426,171.40

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

	Reference	December 31,	
		2016	2015
LIABILITIES, RESERVES AND FUND BALANCES			
Current Fund			
Appropriation Reserves	A-2	\$ 1,415,590.18	\$ 1,907,895.48
Other Liabilities and Reserves			
Accounts Payable		718,729.57	5,656.40
Reserve for Encumbrances		308,069.16	1,063,598.30
County Taxes Payable		52,153.06	17,566.57
Due to State of New Jersey - Marriage Licenses		2,120.00	1,935.00
Prepaid Taxes		1,224,577.55	875,773.42
Interfunds Payable		10,065.16	109,098.25
		<u>2,315,714.50</u>	<u>2,073,627.94</u>
Reserve for Receivables		<u>2,139,280.86</u>	<u>2,075,722.31</u>
Fund Balance		<u>4,265,874.14</u>	<u>5,172,830.47</u>
Sub-total		<u>10,136,459.68</u>	<u>11,230,076.20</u>
Federal and State Grant Fund			
Reserve for Encumbrances		56,226.76	100,068.56
Appropriated Reserve for Grant	A-8	880,194.43	1,085,795.54
Unappropriated Reserve for Grants	A-9	-	10,231.10
Due to Other Trust		153,154.00	-
		<u>1,089,575.19</u>	<u>1,196,095.20</u>
Total		<u>\$ 11,226,034.87</u>	<u>\$ 12,426,171.40</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
STATEMENTS OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended December 31, 2016**

	<u>Anticipated Budget</u>	<u>Budget As Modified</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Surplus Anticipated	\$ 2,064,943.09	\$ 2,064,943.09	\$ 2,064,943.09	\$ -
Total Surplus Anticipated	<u>2,064,943.09</u>	<u>2,064,943.09</u>	<u>2,064,943.09</u>	<u>-</u>
Miscellaneous Revenues				
Licenses				
Alcoholic Beverages	78,000.00	78,000.00	77,250.00	(750.00)
Other Licenses- Clerk	46,000.00	46,000.00	15,595.00	(30,405.00)
Fees and Permits	230,000.00	230,000.00	53,986.22	(176,013.78)
Fines & Costs Municipal Court	575,000.00	575,000.00	562,539.78	(12,460.22)
Fines & Costs Other	220,000.00	220,000.00	225,258.00	5,258.00
Interest and Costs on Taxes	190,000.00	190,000.00	233,850.41	43,850.41
Interest on Investments and Deposits	15,000.00	15,000.00	34,176.41	19,176.41
Vacant Property Registration	100,000.00	100,000.00	97,413.00	(2,587.00)
Total Miscellaneous Revenues	<u>1,454,000.00</u>	<u>1,454,000.00</u>	<u>1,300,068.82</u>	<u>(153,931.18)</u>
State Aid without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief Aid	2,949,530.00	2,949,530.00	2,949,530.00	-
Energy Receipts Tax	6,816,741.00	6,816,741.00	6,816,741.00	-
Total State Aid without Offsetting Appropriations	<u>9,766,271.00</u>	<u>9,766,271.00</u>	<u>9,766,271.00</u>	<u>-</u>
Special Items of Revenue Offset with Appropriations				
Recycling Tonnage Grant	-	39,925.80	39,925.80	-
Municipal Alliance Grant	31,228.00	31,228.00	31,228.00	-
Sprint OEM Grant	-	21,146.90	21,146.90	-
Sustainable Jersey Small Grant	-	20,000.00	20,000.00	-
Click It or Ticket	3,306.24	7,446.40	4,140.16	3,306.24
Drive Sober or Get Pulled Over	-	8,973.92	8,973.92	-
NJDOT Federal City Road	-	260,000.00	260,000.00	-
Emergency Management Assistance	-	5,000.00	5,000.00	-
Drunk Driving Enforcement Fund	-	14,727.37	14,727.37	-
Body Armor Replacement Grant	-	6,675.29	6,675.29	-
Mercer County Historic Preservation	4,191.86	4,191.86	4,191.86	-
Justice Assistance Grant	2,733.00	2,733.00	2,733.00	-
Clean Communities	-	81,652.74	81,652.74	-
COPS in SHOPS	-	3,200.00	3,200.00	-
HUD/CDBG	-	191,442.00	191,442.00	-
Total Special Items of Revenue Offset with Appropriations	<u>41,459.10</u>	<u>698,343.28</u>	<u>695,037.04</u>	<u>3,306.24</u>
Special Items of Revenue with Prior Consent of the Director				
Uniform Fire Safety Act	75,000.00	75,000.00	74,174.45	(825.55)
Administration of Senior Citizen and Vet Discount	6,300.00	6,300.00	6,009.97	(290.03)
Payment in Lieu of Taxes - The College of New Jersey	395,000.00	395,000.00	504,000.00	109,000.00
Supplemental Payment - The College of New Jersey	75,000.00	75,000.00	75,000.00	-
Payment in Lieu of Taxes - Rely Properties	24,000.00	24,000.00	25,576.00	1,576.00
Payment in Lieu of Taxes - MGI Properties	61,000.00	61,000.00	49,988.13	(11,011.87)
Payment in Lieu of Taxes - Birmingham Gardens	24,000.00	24,000.00	27,467.05	3,467.05
Cable Television Franchise Fee	182,808.47	182,808.47	182,808.47	-
Police Off Duty Administration Fees	66,212.99	66,212.99	66,212.99	-
Capital Fund - Reserve for Payment of Debt Service	17,160.38	17,160.38	17,160.38	-
Mercer County Improvement Authority				
Transfer Station Facility	-	-	-	-
Host Benefits	1,200,000.00	1,200,000.00	1,231,767.96	31,767.96
EMS Billing	900,000.00	900,000.00	922,977.31	22,977.31
Lease of Property - Dewcon	48,000.00	48,000.00	36,846.78	(11,153.22)
Hotel Tax	350,000.00	350,000.00	355,657.97	5,657.97
Tower Rental	15,000.00	15,000.00	14,391.65	(608.35)
Verizon FIOS Franchise Fees	313,880.00	313,880.00	313,680.34	(199.66)
Community Center Rentals	190,000.00	190,000.00	103,482.50	(86,517.50)
Total Special Items of Revenue	<u>3,943,361.84</u>	<u>3,943,361.84</u>	<u>4,007,201.95</u>	<u>63,840.11</u>
Receipts from Delinquent Taxes	<u>90,000.00</u>	<u>90,000.00</u>	<u>261,240.32</u>	<u>171,240.32</u>
Subtotal General Revenues	<u>17,360,035.03</u>	<u>18,016,919.21</u>	<u>18,094,762.22</u>	<u>84,455.49</u>
Amount to be Raised by Taxes for Support of Municipal Budget	<u>26,018,360.52</u>	<u>26,018,360.52</u>	<u>26,069,114.28</u>	<u>50,753.76</u>
Total Amount to be Raised by Taxes	<u>26,018,360.52</u>	<u>26,018,360.52</u>	<u>26,069,114.28</u>	<u>50,753.76</u>
Total Budget Revenues	<u>43,378,395.55</u>	<u>44,035,279.73</u>	<u>44,163,876.50</u>	<u>135,209.25</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME (CONTINUED)
Year Ended December 31, 2016**

	<u>Anticipated Budget</u>	<u>Budget As Modified</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Other Credits to Income				
MRNA - Other Licenses	-	-	11,238.00	11,238.00
MRNA - Planning and Zoning Fees	-	-	16,419.00	16,419.00
MRNA - Fire Prevention Fees	-	-	159,254.91	159,254.91
MRNA - Rental Fire Registration	-	-	82,501.00	82,501.00
MRNA - Plan Review Fees	-	-	48,540.00	48,540.00
MRNA - Well/Septic Close Out Fee	-	-	740.00	740.00
MRNA - Mayor Wedding Funds	-	-	5,080.00	5,080.00
MRNA - Recycling	-	-	3,223.25	3,223.25
MRNA - Sale of Municipal Assets	-	-	38,700.00	38,700.00
MRNA - Other	-	-	162,212.23	162,212.23
Appropriation Reserves Lapsed	-	-	722,267.63	722,267.63
Taxes Allocated to School, County and Special Districts	-	-	78,152,130.51	78,152,130.51
	<u>-</u>	<u>-</u>	<u>79,402,306.53</u>	<u>79,402,306.53</u>
Total Other Credits to Income	-	-	79,402,306.53	79,402,306.53
Total Revenues and Other Credits to Income	<u>\$ 43,378,395.55</u>	<u>\$ 44,035,279.73</u>	<u>\$123,566,183.03</u>	<u>\$ 79,537,515.78</u>
	<u>Reference</u>	<u>A-2</u>	<u>A-2</u>	

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
Year Ended December 31, 2016**

	APPROPRIATED		Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
	2016 Budget	Budget after Modification				
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
Legislative (Mayor and Council)						
Salaries and Wages	\$ 48,000.00	\$ 48,000.00	\$ 47,777.34	\$ 222.66	\$ -	\$ -
Other Expenses	3,000.00	3,000.00	806.00	2,194.00	-	-
Municipal Clerk						
Salaries and Wages	230,700.00	230,700.00	214,018.81	16,681.19	-	-
Other Expenses	28,400.00	28,400.00	24,292.00	4,108.00	-	-
General Administration						
Salaries and Wages	333,100.00	318,100.00	294,860.08	23,239.92	-	-
Other Expenses	231,600.00	281,600.00	268,179.04	13,420.96	-	-
Elections						
Salaries and Wages	500.00	700.00	650.77	49.23	-	-
Other Expenses	15,000.00	15,625.00	15,625.00	-	-	-
Financial Administration						
Salaries and Wages	240,000.00	241,200.00	240,148.43	1,051.57	-	-
Other Expenses	43,000.00	44,000.00	43,092.19	907.81	-	-
Audit Services						
Other Expenses	45,200.00	45,200.00	45,200.00	-	-	-
Ambulance Management Services						
Other Expenses	57,500.00	57,500.00	46,282.17	11,217.83	-	-
Tax Assessment Administration						
Salaries and Wages	232,000.00	234,000.00	233,991.81	8.19	-	-
Other Expenses	133,000.00	133,000.00	91,419.69	41,580.31	-	-
Revenue Administration (Tax Collection)						
Salaries and Wages	193,000.00	181,000.00	179,264.23	1,735.77	-	-
Other Expenses	47,084.00	47,084.00	41,358.45	5,725.55	-	-
Engineering Services						
Other Expenses	70,000.00	95,000.00	81,989.11	13,010.89	-	-
Legal Services and Expenses						
Other Expenses	405,000.00	405,000.00	402,330.05	2,669.95	-	-
Public Defender (P.L.1997, c.256)						
Other Expenses	35,000.00	35,000.00	34,582.12	417.88	-	-
Information Technology						
Salaries and Wages	361,000.00	347,988.76	345,492.58	2,496.18	-	-
Other Expenses	510,126.71	510,126.71	491,293.76	18,832.95	-	-
Planning Board						
Salaries and Wages	13,500.00	13,500.00	12,104.75	1,395.25	-	-
Other Expenses	25,000.00	25,000.00	1,845.00	23,155.00	-	-
Zoning Board of Adjustment						
Salaries and Wages	80,000.00	80,000.00	75,617.50	4,382.50	-	-
Other Expenses	1,000.00	1,000.00	-	1,000.00	-	-
Patriotic Committee						
Other Expenses	20,000.00	20,000.00	19,484.58	515.42	-	-
Master Plan Proposal						
Other Expenses	5,000.00	-	-	-	-	-
Economic Development						
Other Expenses	5,000.00	5,000.00	-	5,000.00	-	-
Housing						
Salaries and Wages	170,000.00	145,000.00	141,111.82	3,888.18	-	-
Other Expenses	91,400.00	91,400.00	68,333.03	23,066.97	-	-
Sub-Total General Government	<u>3,673,110.71</u>	<u>3,683,124.47</u>	<u>3,461,150.31</u>	<u>221,974.16</u>	<u>-</u>	<u>-</u>
Insurance						
General Liability	1,041,907.00	1,041,904.00	1,041,904.00	-	-	-
Workers' Compensation	400,000.00	400,000.00	400,000.00	-	-	-
Employee Group Health	6,906,160.00	6,829,735.00	6,636,646.07	193,088.93	-	-
Employee Group Health - Waivers	40,000.00	56,000.00	52,701.19	3,298.81	-	-
Unemployment Insurance	35,000.00	35,000.00	-	-	-	-
Sub-Total Insurance	<u>8,423,067.00</u>	<u>8,362,639.00</u>	<u>8,166,251.26</u>	<u>196,387.74</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - (CONTINUED)
Year Ended December 31, 2016**

	APPROPRIATED		Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
	2016 Budget	Budget after Modification				
PUBLIC SAFETY						
Municipal Court						
Salaries and Wages	430,000.00	438,000.00	437,578.70	421.30	-	-
Other Expenses	29,000.00	39,000.00	36,621.30	2,378.70	-	-
Police						
Salaries and Wages	8,753,500.00	8,793,500.00	8,788,077.95	5,422.05	-	-
Other Expenses	361,100.00	361,100.00	282,583.89	78,516.11	-	-
Police Dispatch/911						
Salaries and Wages	599,000.00	584,000.00	580,159.02	3,840.98	-	-
Office of Emergency Management						
Salaries and Wages	67,626.00	69,126.00	68,544.83	581.17	-	-
Other Expenses	3,575.00	3,575.00	2,025.89	1,549.11	-	-
Aid to Volunteer Fire Companies						
Other Expenses	80,000.00	80,000.00	41,420.00	38,580.00	-	-
Fire Departments						
Salaries and Wages	773,100.00	773,100.00	760,652.65	12,447.35	-	-
Other Expenses	617,350.00	617,350.00	610,490.79	6,859.21	-	-
P.E.O.S.H.A.						
Other Expenses	1,500.00	1,500.00	607.46	892.54	-	-
Emergency Medical Services						
Salaries and Wages	786,500.00	913,500.00	904,385.65	9,114.35	-	-
Other Expenses	59,974.00	59,974.00	58,767.10	1,206.90	-	-
Uniform Fire Prevention						
Salaries and Wages	125,500.00	130,000.00	129,090.81	909.19	-	-
Other Expenses	43,450.00	43,450.00	41,620.11	1,829.89	-	-
Sub-Total Public Safety	<u>12,731,175.00</u>	<u>12,907,175.00</u>	<u>12,742,626.15</u>	<u>164,548.85</u>	<u>-</u>	<u>-</u>
PUBLIC WORKS						
Streets and Road Maintenance						
Salaries and Wages	1,240,000.00	1,240,000.00	1,230,675.01	9,324.99	-	-
Other Expenses	63,000.00	67,000.00	59,285.41	7,714.59	-	-
Vehicle Maintenance						
Salaries and Wages	293,000.00	229,000.00	224,100.93	4,899.07	-	-
Other Expenses	227,500.00	202,500.00	188,776.53	13,723.47	-	-
Building and Grounds						
Salaries and Wages	946,766.55	818,766.55	804,808.57	13,957.98	-	-
Other Expenses	99,000.00	107,000.00	106,498.24	501.76	-	-
Condo Reimb. Trash Removal						
Other Expenses	75,000.00	75,000.00	35,628.93	39,371.07	-	-
Solid Waste Collection						
Other Expenses	599,400.00	599,400.00	599,400.00	-	-	-
Sub-Total Public Works	<u>3,543,666.55</u>	<u>3,338,666.55</u>	<u>3,249,173.62</u>	<u>89,492.93</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - (CONTINUED)
Year Ended December 31, 2016**

	APPROPRIATED		Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
	2016 Budget	Budget after Modification				
HEALTH AND HUMAN SERVICES						
Public Health Services						
Salaries and Wages	258,000.00	243,000.00	239,750.01	3,249.99	-	-
Other Expenses	70,610.00	55,610.00	38,902.13	16,707.87	-	-
Animal Control Services						
Salaries and Wages	111,500.00	107,500.00	106,552.87	947.13	-	-
Other Expenses	14,400.00	14,400.00	9,078.77	5,321.23	-	-
Township Physician						
Other Expenses	27,000.00	36,000.00	32,359.00	3,641.00	-	-
Sub-Total Health and Human Services	<u>481,510.00</u>	<u>456,510.00</u>	<u>426,642.78</u>	<u>29,867.22</u>	<u>-</u>	<u>-</u>
PARKS AND RECREATION						
Park Maintenance						
Salaries and Wages	698,000.00	729,000.00	722,551.13	6,448.87	-	-
Other Expenses	55,000.00	57,500.00	56,468.60	1,031.40	-	-
Senior Citizens (Ewing Community Center)						
Salaries and Wages	565,500.00	553,500.00	550,783.14	2,716.86	-	-
Other Expenses	73,500.00	73,500.00	70,811.21	2,688.79	-	-
Hollowbrook Community Center						
Salaries and Wages	111,000.00	107,000.00	105,551.31	1,448.69	-	-
Other Expenses	42,500.00	31,500.00	30,370.22	1,129.78	-	-
Daycare Center						
Other Expenses	14,100.00	14,100.00	10,578.00	3,522.00	-	-
The Food Pantry						
Other Expenses	30,000.00	30,000.00	30,000.00	-	-	-
Sub-Total Recreation and Education	<u>1,589,600.00</u>	<u>1,596,100.00</u>	<u>1,577,113.61</u>	<u>18,986.39</u>	<u>-</u>	<u>-</u>
UTILITIES AND BULK PURCHASES						
Utilities (including Street Lighting)						
Other Expenses	1,445,000.00	1,445,000.00	1,132,004.61	312,995.39	-	-
Sub-Total Utilities and Bulk Purchases	<u>1,445,000.00</u>	<u>1,445,000.00</u>	<u>1,132,004.61</u>	<u>312,995.39</u>	<u>-</u>	<u>-</u>
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill						
Other Expenses	1,825,000.00	1,825,000.00	1,679,339.36	145,660.64	-	-
Sub-Total Landfill/Solid Waste Disposal Costs	<u>1,825,000.00</u>	<u>1,825,000.00</u>	<u>1,679,339.36</u>	<u>145,660.64</u>	<u>-</u>	<u>-</u>
OTHER NON-CLASSIFIED						
Accumulated Absences	100,000.00	195,000.00	195,000.00	-	-	-
Storm Recovery Expenses	96,621.18	96,621.18	96,621.18	-	-	-
Operation of Municipal Animal Shelter	91,100.00	91,100.00	90,600.00	500.00	-	-
Sub-Total Other Non-Classified	<u>287,721.18</u>	<u>382,721.18</u>	<u>382,221.18</u>	<u>500.00</u>	<u>-</u>	<u>-</u>
Total Operations within "CAPS"	<u>33,999,850.44</u>	<u>33,996,936.20</u>	<u>32,816,522.88</u>	<u>1,180,413.32</u>	<u>-</u>	<u>-</u>
Details						
Salaries and Wages	17,760,792.55	17,764,181.31	17,633,300.70	130,880.61	-	-
Other Expenses (including Contingent)	16,239,057.89	16,232,754.89	15,183,222.18	1,049,532.71	-	-

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - (CONTINUED)
Year Ended December 31, 2016**

	APPROPRIATED		Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
	2016 Budget	Budget after Modification				
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
(1) DEFERRED CHARGES						
Over-Expenditure - Appropriation Reserve	3,378.82	3,378.82	3,378.82	-	-	-
Sub-Total Deferred Charges	3,378.82	3,378.82	3,378.82	-	-	-
(2) STATUTORY EXPENDITURES						
Contributions to						
PERS	1,257,656.00	1,257,656.00	1,257,656.00	-	-	-
PFRS	2,340,083.00	2,340,083.00	2,340,083.00	-	-	-
Defined Contribution Retirement Program	5,000.00	6,500.00	6,457.34	42.66	-	-
Social Security System	900,000.00	885,000.00	868,692.69	16,307.31	-	-
Sub-Total Statutory Expenditures	4,502,739.00	4,489,239.00	4,472,889.03	16,349.97	-	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	4,506,117.82	4,492,617.82	4,476,267.85	16,349.97	-	-
(H-1) Total General Appropriations for Municipal Purposes within "CAPS"	38,505,968.26	38,489,554.02	37,292,790.73	1,196,763.29	-	-
Operations Excluded from CAPS						
PUBLIC SAFETY						
Recycling Tonnage						
Other Expenses	37,000.00	37,000.00	34,485.10	2,514.90	-	-
Employee Insurance						
Other Expenses	21,840.00	21,840.00	21,840.00	-	-	-
Fire Protection - Inch Foot						
Other Expenses	710,000.00	710,000.00	532,152.87	177,847.13	-	-
Fire Protection - Fire Hydrants						
Other Expenses	150,000.00	150,000.00	111,559.70	38,440.30	-	-
Sub-Total Public Safety	918,840.00	918,840.00	700,037.67	218,802.33	-	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Recycling						
Other Expenses	298,984.00	299,009.00	298,984.44	24.56	-	-
Health						
Other Expenses	40,000.00	40,000.00	40,000.00	-	-	-
EMS Dispatch						
Other Expenses	48,150.00	48,150.00	48,150.00	-	-	-
Sub-Total Interlocal Municipal Service Agreements	387,134.00	387,159.00	387,134.44	24.56	-	-
Public and Private Programs Offset by Revenues:						
Justice Assistance Grant	2,300.00	2,300.00	2,300.00	-	-	-
Body Armor Replacement Grant	-	6,675.29	6,675.29	-	-	-
CDBG	-	191,442.00	191,442.00	-	-	-
Sprint OEM Grant	-	21,146.90	21,146.90	-	-	-
COPS in Shops	-	3,200.00	3,200.00	-	-	-
Click It or Ticket	-	4,140.16	4,140.16	-	-	-
Drive Sober or Get Pulled Over	-	8,973.92	8,973.92	-	-	-
Clean Communities O/E	-	81,652.74	81,652.74	-	-	-
Recycling Tonnage Grant	-	39,925.80	39,925.80	-	-	-
NJDOT Federal City Road	-	260,000.00	260,000.00	-	-	-
Emergency Management Assistance	-	5,000.00	5,000.00	-	-	-
Sustainable Jersey Small Grant	-	20,000.00	20,000.00	-	-	-
Drunk Driving Enforcement Fund	-	14,727.37	14,727.37	-	-	-
Mercer County Historic Preservation	-	-	-	-	-	-
Municipal Alliance Grant	31,228.00	31,228.00	31,228.00	-	-	-
Municipal Alliance Grant - Match	7,807.00	7,807.00	7,807.00	-	-	-
Sub-Total Public and Private Programs Offset by Revenues	41,335.00	698,219.18	698,219.18	-	-	-
Total Operations Excluded from "CAPS"	1,347,309.00	2,004,218.18	1,785,391.29	218,826.89	-	-
Details						
Salaries and Wages						
Other Expenses	1,347,309.00	2,004,218.18	1,785,391.29	218,826.89	-	-

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - (CONTINUED)
Year Ended December 31, 2016**

	APPROPRIATED		Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
	2016 Budget	Budget after Modification				
Capital Improvements Excluded from "CAPS"						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvements Excluded from "CAPS"	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	-	-	-
Municipal Debt Service Excluded from CAPS						
Payment of Bond Principal	2,250,000.00	2,250,000.00	2,250,000.00	-	-	-
Interest on Bonds	233,095.00	233,095.00	233,095.00	-	-	-
Interest on Notes	105,602.00	124,006.00	124,005.19	-	-	0.81
Green Trust Loan Program						
Loan Repayments for Principal and Interest	31,091.60	31,091.60	31,091.59	-	-	0.01
NJ Environmental Infrastructure Trust Loan Program						
Loan Repayments for Principal and Interest	278,045.78	276,031.02	276,031.02	-	-	-
Mercer County Improvement Authority Lease - Principal	171,462.16	171,462.16	171,462.16	-	-	-
Mercer County Improvement Authority Lease - Interest	6,305.23	6,305.23	6,305.23	-	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>3,075,601.77</u>	<u>3,091,991.01</u>	<u>3,091,990.19</u>	-	-	<u>0.82</u>
Deferred Charges - Municipal - Excluded from "CAPS"						
DEFERRED CHARGES						
Special emergency Authorizations - 5 Years (N.J.S.A 40A:4-55)	255,000.00	255,000.00	255,000.00	-	-	-
Judgements - Excluded from "CAPS"						
Judgements	-	-	-	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>255,000.00</u>	<u>255,000.00</u>	<u>255,000.00</u>	-	-	-
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,777,910.77</u>	<u>5,451,209.19</u>	<u>5,232,381.48</u>	<u>218,826.89</u>	-	<u>0.82</u>
Subtotal General Appropriations	43,283,879.03	43,940,763.21	42,525,172.21	1,415,590.18	-	0.82
Reserve for Uncollected Taxes	<u>94,516.52</u>	<u>94,516.52</u>	<u>94,516.52</u>	-	-	-
Total General Appropriations	<u>\$ 43,378,395.55</u>	<u>\$ 44,035,279.73</u>	<u>\$ 42,619,688.73</u>	<u>\$ 1,415,590.18</u>	<u>\$ -</u>	<u>\$ 0.82</u>
Reference	A-1	A-1		A		
Adopted Budget	\$ 43,378,395.55	\$ 43,378,395.55				
Approp. N.J.S.A 40A: 4-87	656,884.18	656,884.18	A-8 Paid or charged	\$ 42,619,688.73		
			Reserved	1,415,590.18	A	
Budget as Modified	<u>\$ 44,035,279.73</u>	<u>\$ 44,035,279.73</u>		<u>\$ 44,035,278.91</u>		

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2016**

Year	Balance December 31, 2015	2016 Levy and Added & Omitted Taxes	Collections	Received from State of N.J. Senior Citizens and Veterans	Homestead Benefit Credit	Transfer to Tax Title Liens	Billing/Payment Adjustments	Balance December 31, 2016
2015	\$ 23,610.29	\$ -	\$ 29,693.80	\$ -	\$ -	\$ -	\$ 9,212.58	\$ 3,129.07
2016	-	103,984,159.44	102,227,300.00 *	300,498.47	1,447,184.70	210,281.90	225,719.87	24,614.24
Reference	<u>\$ 23,610.29</u> A	<u>\$ 103,984,159.44</u>	<u>\$ 102,256,993.80</u>	<u>\$ 300,498.47</u>	<u>\$ 1,447,184.70</u>	<u>\$ 210,281.90</u> A-4	<u>\$ 234,932.45</u>	<u>\$ 27,743.31</u> A

Analysis of CY 2016 Property Tax Levy

Tax Yield

General Purpose	\$ 103,984,159.44	* Collected	
Omitted Taxes (N.J.S.A. 54:4-63.12 et seq.)	11,906.96	2015	\$ 875,773.42
Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	174,424.63	2016	101,351,526.58
	<u>\$ 104,170,491.03</u>		<u>\$ 102,227,300.00</u>

Tax Levy

Local School District Tax	\$ 58,693,834.00
County Taxes	16,935,337.33
Library Taxes	1,618,600.95
Open Space Taxes	718,026.64
Added & Omitted Taxes	<u>186,331.59</u>
	\$ 78,152,130.51

Local Purpose

	<u>26,018,360.52</u>
	<u>\$ 104,170,491.03</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-4

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
Year Ended December 31, 2016**

	<u>Reference</u>	
Balance - December 31, 2014	A	\$ 473,467.27
Increased by transfers from		
Added Tax Title Liens	A-3	210,281.90
		<u>683,749.17</u>
Decreased by		
Cash receipts	285,552.99	
Cancelled taxes	<u>5,713.38</u>	
		<u>291,266.37</u>
Balance - December 31, 2015	A	<u><u>\$ 392,482.80</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-5

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION AND ENCUMBRANCE RESERVES
Year Ended December 31, 2016**

	Balance December 31, 2015	Transfers	After Transfers	Expended	Encumbered	Balance Lapsed
Mayor And Council- S/W	\$ 1,974.90	\$ -	\$ 1,974.90	\$ -	\$ -	\$ 1,974.90
Municipal Clerk- O/E	5,096.18	-	5,096.18	4,178.38	-	917.80
Township Council Other Expense	366.53	-	366.53	-	-	366.53
Municipal Clerk- S/W	5,314.69	-	5,314.69	-	-	5,314.69
General Administration- O/E	22,267.79	(2,350.00)	19,917.79	10,218.27	1,100.00	8,599.52
General Administration -S/W	4,096.36	-	4,096.36	710.30	-	3,386.06
Elections- O/E	15,000.00	-	15,000.00	10,000.00	-	5,000.00
Elections- S/W	322.69	-	322.69	-	-	322.69
Information Technology - S/W	3,043.41	-	3,043.41	-	-	3,043.41
Information Technology - O/E	91,978.01	-	91,978.01	80,336.00	79.17	11,562.84
Financial Administration- O/E	7,656.05	1,000.00	8,656.05	8,477.50	-	178.55
Financial Administration- S/W	1,636.13	-	1,636.13	-	-	1,636.13
Ambulance Management Services	12,016.93	250.00	12,266.93	12,221.10	-	45.83
Tax Assessment Administration- O/E	905,882.91	-	905,882.91	194,136.10	711,539.00	207.81
Tax Assessment Administration- S/W	2,736.97	-	2,736.97	-	-	2,736.97
Tax Collection- O/E	6,044.55	-	6,044.55	5,081.01	-	963.54
Tax Collection- S/W	7,841.43	-	7,841.43	-	-	7,841.43
Economic Development- O/E	5,000.00	-	5,000.00	-	-	5,000.00
Buildings and Grounds- O/E	8,293.71	-	8,293.71	6,903.04	-	1,390.67
Buildings and Grounds- S/W	9,149.20	-	9,149.20	-	-	9,149.20
Utilities And Bulk Purchases- O/E	182,085.36	-	182,085.36	102,277.09	-	79,808.27
Legal Services- O/E	23,439.34	-	23,439.34	15,163.81	-	8,275.53
Planning Board- O/E	206.75	-	206.75	-	-	206.75
Planning Board - S/W	266.24	-	266.24	-	-	266.24
Master Plan- O/E	500.00	-	500.00	-	-	500.00
Zoning Board Of Adjustment- O/E	3,000.00	-	3,000.00	136.00	-	2,864.00
Zoning Board Of Adjustment - S/W	441.25	-	441.25	-	-	441.25
Employee Insurance- O/E	106,818.56	-	106,818.56	9,401.71	-	97,416.85
DCRP Employer Portion	60.47	-	60.47	-	-	60.47
Police Department- O/E	117,512.51	-	117,512.51	91,004.22	-	26,508.29
Police Department- S/W	408,636.05	-	408,636.05	304,628.16	-	104,007.89
Office Of Emergency Management- O/E	4,877.68	-	4,877.68	569.56	-	4,308.12
Office Of Emergency Management- S/W	849.90	-	849.90	-	-	849.90
Aid To Fire Companies- O/E	14,840.00	-	14,840.00	13,455.00	-	1,385.00
Emergency Medical Services- O/E	3,391.55	-	3,391.55	3,298.75	-	92.80
Emergency Medical Services- S/W	8,389.74	-	8,389.74	-	-	8,389.74
Fire Departments - O/E	11,947.81	-	11,947.81	230.00	-	11,717.81
Fire Departments- S/W	6,508.11	-	6,508.11	-	-	6,508.11
Fire Inspector- S/W	3,408.94	-	3,408.94	-	-	3,408.94
Fire Prevention- O/E	9,115.44	-	9,115.44	665.78	250.00	8,199.66

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-5

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION AND ENCUMBRANCE RESERVES (CONTINUED)
Year Ended December 31, 2016**

	Balance December 31, 2015	Transfers	After Transfers	Expended	Encumbered	Balance Lapsed
Housing- S/W	3,350.87	-	3,350.87	-	-	3,350.87
Housing- O/E	22,741.45	-	22,741.45	4,936.00	-	17,805.45
Streets and Road Maintenance- O/E	8,531.92	-	8,531.92	4,246.93	-	4,284.99
Streets and Road Maintenance- S/W	15,623.83	-	15,623.83	-	-	15,623.83
Vehicle Maintenance- O/E	23,443.13	-	23,443.13	22,745.36	105.00	592.77
Vehicle Maintenance- S/W	11,126.70	-	11,126.70	-	-	11,126.70
Engineering Services- O/E	5,461.97	-	5,461.97	(12,963.92)	-	18,425.89
Landfill/Solid Waste Disposal Cos	224,809.22	-	224,809.22	155,649.55	-	69,159.67
Public Health Services- O/E	30,309.78	-	30,309.78	19,143.94	-	11,165.84
Public Health Services- S/W	5,151.15	-	5,151.15	(4,200.00)	-	9,351.15
Animal Control Services- O/E	1,777.17	1,100.00	2,877.17	2,795.61	-	81.56
Animal Control Services- S/W	6,241.66	-	6,241.66	-	-	6,241.66
Township Physician- O/E	6,750.00	-	6,750.00	6,750.00	-	-
Park Maintenance- O/E	5,819.94	-	5,819.94	706.27	-	5,113.67
Park Maintenance- S/W	22,571.38	-	22,571.38	-	-	22,571.38
Esroc Operations- O/E	5,248.80	-	5,248.80	3,328.12	-	1,920.68
ESCC- S/W	6,724.89	-	6,724.89	-	-	6,724.89
Patriotic Commission- O/E	1,301.17	-	1,301.17	390.00	-	911.17
Hcc Operations- O/E	10,876.83	-	10,876.83	5,763.77	-	5,113.06
Hcc - S/W	1,814.16	-	1,814.16	-	-	1,814.16
Day Care- O/E	1.00	-	1.00	-	-	1.00
Social Security (Fica)- O/E	17,156.99	-	17,156.99	(356.14)	-	17,513.13
Police And Fire Retirement System	0.98	-	0.98	-	-	0.98
911 Lifeline- S/W	6,416.90	-	6,416.90	-	-	6,416.90
Interlocal Services	25,155.54	-	25,155.54	-	-	25,155.54
Fire Hydrant Charges- O/E	75,727.10	-	75,727.10	74,333.04	-	1,394.06
Inchfoot Charges- O/E	355,425.39	-	355,425.39	354,768.58	-	656.81
Municipal Court- O/E	3,994.90	-	3,994.90	2,840.26	-	1,154.64
Municipal Court- S/W	10,265.31	-	10,265.31	-	-	10,265.31
Condo Law Trash Removal- O/E	35,091.43	-	35,091.43	22,048.88	-	13,042.55
PEOSHA- O/E	568.08	-	568.08	134.95	-	433.13
Recycling Tonnage- O/E	-	-	-	-	-	-
	<u>\$ 2,971,493.78</u>	<u>\$ -</u>	<u>\$ 2,971,493.78</u>	<u>\$ 1,536,152.98</u>	<u>\$ 713,073.17</u>	<u>\$ 722,267.63</u>
	A					A-1

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-7

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE - GRANT FUND
Year Ended December 31, 2016**

	Balance December 31, 2015	2016			Cancelled / Adjustments	Balance December 31, 2016
		Budget	Chapter 159	Received		
Federal Grants						
Vest Partnership Program	\$ 216.50	\$ -	\$ -	\$ -	\$ 216.50	\$ -
Mercer at Play	249,709.20	-	-	-	249,709.20	-
Municipal Alliance Grant	31,197.96	31,228.00	-	30,455.76	-	31,970.20
Clean Communities	-	-	81,652.74	81,652.74	-	-
Recycling Tonnage Grant	-	-	39,925.80	39,925.80	-	-
Drunk Driving Enforcement Fund	-	-	14,727.37	-	14,727.37	-
NJDOT Federal City Road	-	-	260,000.00	-	-	260,000.00
Justice Assistance Grant	-	2,733.00	-	-	2,733.00	-
Sustainable Jersey Small Grant	5,000.00	-	20,000.00	15,000.00	-	10,000.00
Mercer County Historic Preservation	-	4,191.86	-	-	4,191.86	-
HUD/CDBG 2012	241,603.85	-	191,442.00	174,751.53	-	258,294.32
Mercer County ESCC Parking Lot Restoration	85,385.30	-	-	-	85,385.30	-
EPEF - Hollowbrook Resource Center	27,235.94	-	-	-	-	27,235.94
Recreational Trails Program	8,713.31	-	-	-	-	8,713.31
Click It or Ticket	-	3,306.24	4,140.16	-	3,306.24	4,140.16
Drive Sober or Get Pulled Over	5,000.00	-	8,973.92	13,973.92	-	-
COPS in SHOPS	3,200.00	-	3,200.00	3,200.00	3,200.00	-
Emergency Management Assistance Program	-	-	5,000.00	5,000.00	-	-
Body Armor Replacement Grant	13,163.06	-	6,675.29	6,675.29	-	13,163.06
NJDOT Green Lane	339,278.48	-	-	45,784.15	-	293,494.33
Sprint Police Equipment Grant	-	-	21,146.90	21,146.90	-	-
Total Federal and State Grants	\$ 1,009,703.60	\$ 41,459.10	\$ 656,884.18	\$ 437,566.09	\$ 363,469.47	\$ 907,011.32
	<u>Reference</u>	<u>A</u>	<u>A-1</u>	<u>A-2, A-8</u>		<u>A</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS
Year Ended December 31, 2016**

	Balance December 31, 2015	2016			Balance December 31, 2016
		Budget	Appropriation by 40A:4-87	Paid or Charged	
Vest Partnership Program	\$ 11,958.92	\$ -	\$ -	\$ 2,580.70	\$ 9,378.22
All Hazards Planning Grant (SLAEHOP)	2,405.72	-	-	-	-
Body Armor Replacement Fund	19,994.22	-	6,675.29	14,193.97	12,475.54
NJM Safe Sports/Scholarship	2,000.00	-	-	-	2,000.00
Clean Communities Grant	11,348.89	-	81,652.74	53,461.97	39,539.66
Communicable Disease HEP B Vaccine	4,039.96	-	-	-	4,039.96
COPS in SHOPS	4,140.06	-	3,200.00	940.06	6,400.00
Click It or Ticket	-	-	4,140.16	7,446.40	(3,306.24)
Drunk Driving Enforcement Fund	9,343.04	-	14,727.37	16,995.80	7,074.61
Emergency Management Assistance Program	24,466.62	-	5,000.00	-	29,466.62
Drive Sober or Get Pulled Over	5,000.00	-	8,973.92	8,973.72	5,000.20
GM Site Survey	8,484.75	-	-	-	8,484.75
Justice Assistance Grant	9,188.60	2,300.00	-	9,188.60	2,300.00
Mercer at Play	55,328.97	-	-	-	55,328.97
Mercer County LINCS Grant	3,000.00	-	-	-	3,000.00
Municipal Alliance	33,096.13	39,035.00	-	39,315.77	32,815.36
NJ State Pandemic Influenza Prep Grant	373.24	-	-	-	373.24
NJ Storm Water Regulation Grant	236.33	-	-	-	236.33
EPEF - Hollowbrook Resource Center	12,325.52	-	-	(40.52)	12,366.04
Public Health Priority Funding	405.64	-	-	-	405.64
Recycling Tonnage Grant	29,591.90	-	39,925.80	65,438.00	4,079.70
Tobacco Age of Sale Enforcement	4,158.69	-	-	-	4,158.69
NJDOT Green Lane	263,405.94	-	-	(30,088.39)	293,494.33
NJDOT Federal City Road	-	-	260,000.00	8,773.25	251,226.75
Sustainable Jersey Small Grant	500.73	-	20,000.00	588.81	19,911.92
NJ H1N1	1,400.24	-	-	-	1,400.24
Mercer County Historic Preservation	271,811.62	-	-	-	271,811.62
Mercer County ESCC Parking Lot Restoration	70,155.58	-	-	-	70,155.58
Recreational Trails Grant	4,213.31	-	-	3,548.16	665.15
HUD/CDBG 2012	156,231.00	-	191,442.00	233,691.73	113,981.27
Other					
NJ Manufacturers EMS Grant	1,500.00	-	-	1,500.00	-
Sprint OEM Grant	51,248.56	-	21,146.90	33,367.76	39,027.70
Comcast Technology Grant	14,441.36	-	-	6,750.00	7,691.36
Total Grants	\$ 1,085,795.54	\$ 41,335.00	\$ 656,884.18	\$ 476,625.79	\$ 880,194.43
<u>Reference</u>	A	A-2	A-2, A-7		A

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-9

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL, STATE AND COUNTY GRANTS
Year Ended December 31, 2016**

	Balance <u>December 31, 2015</u>	<u>Appropriated</u>	<u>Received</u>	Balance <u>December 31, 2016</u>
State				
Recycling Tonnage Grant	\$ -	\$ -	\$ -	\$ -
Law and Public Safety	-	-	-	-
NJ Historic Trust - Bathhouse Grant	4,191.86	4,191.86	-	-
Justice Assistance Grant	2,733.00	2,733.00	-	-
Click It or Ticket	3,306.24	3,306.24	-	-
Total State Grants	<u>\$ 10,231.10</u>	<u>\$ 10,231.10</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Reference</u>	A			A

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-10

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES, ASSESSED VALUATION
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2015	A	<u><u>\$ 1,434,500.00</u></u>
Balance - December 31, 2016	A	<u><u>\$ 1,434,500.00</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

B

**TRUST FUNDS
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
December 31, 2016**

	Animal Control		Self-Insurance		Other		Public Assistance	
	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS								
Cash and Cash Equivalents	\$ 58,420.98	\$ 42,000.10	\$ 272,659.88	\$ 203,128.83	\$ 3,624,087.43	\$ 2,985,919.47	\$ 1,534.58	\$ 1,534.58
Interfunds Receivable	-	-	269.57	-	8,738.89	139,366.05	-	-
	<u>\$ 58,420.98</u>	<u>\$ 42,000.10</u>	<u>\$ 272,929.45</u>	<u>\$ 203,128.83</u>	<u>\$ 3,632,826.32</u>	<u>\$ 3,125,285.52</u>	<u>\$ 1,534.58</u>	<u>\$ 1,534.58</u>
LIABILITIES, RESERVES AND FUND BALANCE								
Reserve for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 41,013.67	\$ 90,176.45	\$ -	\$ -
Reserve and Other Deposits	56,293.58 B-2	39,849.10 B-2	272,929.45	103,128.83	3,430,563.83	2,913,475.41	1,534.58 B-3	1,534.58 B-3
Reserve for Affordable Housing	-	-	-	-	-	-	-	-
Due to State of New Jersey	2,127.40	2,151.00	-	-	-	-	-	-
Other Liabilities	-	-	-	-	101,298.64	90,960.81	-	-
Interfunds Payable	-	-	-	100,000.00	59,950.18	30,672.85	-	-
	<u>\$ 58,420.98</u>	<u>\$ 42,000.10</u>	<u>\$ 272,929.45</u>	<u>\$ 203,128.83</u>	<u>\$ 3,632,826.32</u>	<u>\$ 3,125,285.52</u>	<u>\$ 1,534.58</u>	<u>\$ 1,534.58</u>
Totals								
	2016	2015						
ASSETS								
Cash and Equivalents	\$ 3,956,702.87	\$ 3,232,582.98						
Interfunds Receivable	9,008.46	139,366.05						
	<u>\$ 3,965,711.33</u>	<u>\$ 3,371,949.03</u>						
LIABILITIES, RESERVES AND FUND BALANCE								
Reserve for Encumbrances	\$ 41,013.67	\$ 90,176.45						
Reserve and Other Deposits	3,761,321.44 B-1	3,057,987.92 B-1						
Due to State of New Jersey	2,127.40	2,151.00						
Other Liabilities	101,298.64	90,960.81						
Interfunds Payable	59,950.18	130,672.85						
	<u>\$ 3,965,711.33</u>	<u>\$ 3,371,949.03</u>						

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-1

**TRUST FUNDS
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
Year Ended December 31, 2016**

	Balance December 31, 2015	Receipts/ Adjustments	Disbursements	Balance December 31, 2016
Parking Adjudication	\$ 4,815.11	\$ 234.00	\$ -	\$ 5,049.11
Accumulated Absences	11,721.84	245,178.40	252,699.16	4,201.08
Developer's Escrow Performance and Inspection	2,083,239.54	980,504.12	739,485.80	2,324,257.86
Uniform Construction Code	235,036.13	939,321.78	857,345.91	317,012.00
Asset Forfeiture Trust	25,352.32	45,888.91	47,264.00	23,977.23
Recreation	50,399.73	95,820.58	33,584.64	112,635.67
Payroll Trust	8,651.44	11,728,219.84	11,710,968.23	25,903.05
Community Fest	1,691.61	3.37	-	1,694.98
Environmental Commission	5.23	1,000.00	-	1,005.23
Affordable Housing Development Fees	342,123.61	170,835.09	80,205.52	432,753.18
Animal Shelter Donations	15,464.22	-	-	15,464.22
Homeland Security K-9 Donations	2,120.70	-	-	2,120.70
National Night Out Program	1,332.82	-	-	1,332.82
Talent Show Program	5,686.06	9.16	5,695.22	-
Patriotic Committee	6,846.93	7,069.71	2,975.05	10,941.59
Police Off-Duty Employment	12,106.61	715,800.61	649,213.47	78,693.75
Self-Insurance Trust	103,128.83	478,664.94	308,864.32	272,929.45
Snow Removal	47,824.54	100,196.90	135,795.05	12,226.39
Flex Spending Fund	9,114.00	29,382.78	32,621.70	5,875.08
Disaster Relief Fund	63.52	0.09	63.61	-
Animal Control Trust	39,849.10	17,682.00	1,237.52	56,293.58
Federal Asset Forfeiture	11,981.63	21.63	1,481.19	10,522.07
Public Assistance Trust	1,534.58	-	-	1,534.58
Street and Sidewalk Fund	37,897.82	-	-	37,897.82
Fire Fines and Penalties	-	7,000.00	-	7,000.00
	<u>\$ 3,057,987.92</u>	<u>\$ 15,562,833.91</u>	<u>\$ 14,859,500.39</u>	<u>\$ 3,761,321.44</u>
Reference	B			B

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-2

TRUST FUNDS
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2014	<u>B</u>	\$ 39,849.10
Increased by		
License Fees		<u>17,682.00</u>
		57,531.10
Decreased by		
Expenditures under R.S. 4:19-15.11		<u>1,237.52</u>
Balance - December 31, 2015	B	<u>\$ 56,293.58</u>
License Fees Collected		
	2014	\$ 17,408.00
	2015	<u>17,408.00</u>
		<u>\$ 34,816.00</u>

Note: R.S. 4:19-15.11

"...there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years preceding."

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-3

TRUST FUNDS
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2016

Balance - December 31, 2016	<u>Reference</u> B	<u>\$ 1,534.58</u>	
Analysis of Detail	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>CHANGE</u>
Public Assistance Trust Fund # 1	<u>\$ 1,534.58</u>	<u>\$ 1,534.58</u>	<u>\$ -</u>
<u>Reference</u>	B	B	

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

	Reference	December 31,	
		2016	2015
ASSETS			
Cash	C-1	\$ 5,635,108.32	\$ 8,039,374.14
Deferred Charges to Future Taxation - Funded	C-10	22,352,260.13	8,893,431.73
Deferred Charges to Future Taxation - Unfunded	C-2	4,085,619.00	12,435,062.00
Due from Grant fund	C-1	153,154.00	-
Intergovernmental Receivable		-	17,500.00
		<u>\$ 32,226,141.45</u>	<u>\$ 29,385,367.87</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-3	\$ 21,410,000.00	\$ 7,499,000.00
Bond Anticipation Notes	C-4, C-2	-	12,435,062.00
Other Liabilities and Reserves			
Green Trust Loan Payable	C-5	133,166.51	161,173.99
NJ Environmental Infrastructure Trust Loan Payable	C-8	809,093.62	1,061,795.58
Reserve for Encumbrances	C-1	4,544,877.81	4,330,595.04
MCIA Lease Payable		-	171,462.16
Reserve for Debt Service	C-1	892,910.41	-
Reserve for Premium on Notes	C-1	-	17,160.38
Capital Improvement Fund	C-1, C-9	10,082.15	106,220.15
Improvement Authorizations			
Funded	C-6	584,338.67	171,966.11
Unfunded	C-6	3,761,270.75	3,194,418.18
Fund Balance	C-1, C-7	<u>80,401.53</u>	<u>236,514.28</u>
		<u>\$ 32,226,141.45</u>	<u>\$ 29,385,367.87</u>

There were Bonds and Notes Authorized but not issued at December 31, 2016 and 2015, in the amount of \$4,085,619 and \$0, respectively (C-2).

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-1

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
Year Ended December 31, 2016

	<u>Reference</u>	
Fund Balance	C, C-7	\$ 80,401.53
Capital Improvement Fund	C	10,082.15
Improvement Authorizations:		
12-13 Multi Purpose Ordinance		3,146.00
13-24 Various Improvements		18,681.72
14-06 Various Equipment and Improvements		2,000,000.00
14-20 Reappropriation Ordinance Various Equipment		604.00
15-16 Various Improvements		431,473.17
16-08 Various Improvements		139,969.67
16-13 Rehabilitation of Hollowbrook Community Center		(2,773,884.14)
16-19 Acquisition of Various Equipment		440,000.00
Due from Grant Fund	C	(153,154.00)
Reserve for Debt Service	C	892,910.41
Reserve for Encumbrances	C	4,544,877.81
	C	<u>\$ 5,635,108.32</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-2

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION – UNFUNDED
Year Ended December 31, 2016**

Ordinance Number	Improvement Description	Balance December 31, 2015	Authorizations	Bonds Issued	Down Payment	Balance December 31, 2016	Bond Anticipation Notes	Authorizations Unfunded
13-24	Various Capital Improvements	\$ 2,280,000.00	\$ -	\$ 2,280,000.00	\$ -	\$ -	\$ -	\$ -
14-06	Various Equipment and Improvements	5,695,000.00	-	5,695,000.00	-	-	-	-
14-26	Police Technology Equipment	304,000.00	-	304,000.00	-	-	-	-
15-05	Supplement to 2014-06	161,500.00	-	161,500.00	-	-	-	-
15-16	Various Improvements	3,994,562.00	-	3,994,562.00	-	-	-	-
16-08	Various Improvements	-	3,922,757.00	3,726,000.00	196,138.00	619.00	-	-
16-13	Rehabilitation of Hollowbrook Community Center	-	4,300,000.00	-	215,000.00	4,085,000.00	-	-
16-19	Acquisition of Various Equipment	-	440,000.00	-	440,000.00	-	-	-
Total		<u>\$ 12,435,062.00</u>	<u>\$ 8,662,757.00</u>	<u>\$ 16,161,062.00</u>	<u>\$ 851,138.00</u>	<u>\$ 4,085,619.00</u>	<u>\$ -</u>	<u>\$ -</u>
	Reference	C	C-6		C-6	C	C, C-4	C
				Capital Improvement Fund	\$ 196,138.00	C-9		
				Capital Fund Balance	655,000.00	C-7		
					<u>\$ 851,138.00</u>			

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2016**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance			Balance December 31, 2016
			Date	Amount		December 31, 2015	Increased	Decreased	
2006 General Improvement Bonds	1-1-06	\$ 9,100,000.00				\$ 1,750,000.00	\$ -	\$ 1,750,000.00	\$ -
2012 General Improvement Bonds	7-27-12	7,649,000.00	3-15-17	850,000.00	3.00%	5,749,000.00	-	500,000.00	5,249,000.00
			3-15-18	850,000.00	3.00%				
			3-15-19	850,000.00	3.00%				
			3-15-20	900,000.00	3.00%				
			3-15-21	900,000.00	3.00%				
			3-15-22	899,000.00	3.00%				
2016 General Improvement Bonds	6-28-16	16,161,000.00	9-1-17	1,150,000.00	4.00%	-	16,161,000.00	-	16,161,000.00
			9-1-18	1,185,000.00	4.00%				
			9-1-19	1,185,000.00	4.00%				
			9-1-20	1,150,000.00	2.00%				
			9-1-21	1,205,000.00	2.00%				
			9-1-22	1,265,000.00	2.00%				
			9-1-23	2,195,000.00	2.00%				
			9-1-24	2,240,000.00	2.00%				
			9-1-25	2,290,000.00	2.00%				
			9-1-26	2,296,000.00	4.00%				
Reference						C	C-10	C-10	C

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-4

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2016**

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
Various Capital Improvements	13-24	8/15/2013	7/16/2015	7/15/2016	0.85%	\$ 2,280,000.00	\$ -	\$ 2,280,000.00	\$ -
Various Capital Improvements	14-06	8/14/2014	7/16/2015	7/15/2016	0.85%	5,695,000.00	-	5,695,000.00	-
Police Technology Equipment	14-26	7/16/2015	7/16/2015	7/15/2016	0.85%	304,000.00	-	304,000.00	-
Supplement to 2014-06	15-05	7/16/2015	7/16/2015	7/15/2016	0.85%	161,500.00	-	161,500.00	-
Various Improvements	15-16	7/16/2015	7/16/2015	7/15/2016	0.85%	3,994,562.00	-	3,994,562.00	-
						<u>\$ 12,435,062.00</u>	<u>\$ -</u>	<u>\$12,435,062.00</u>	<u>\$ -</u>
					<u>Reference</u>	C	C-2		C, C-2

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-5

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2015	C	\$ 161,173.99
Decreased by		
Repayments of Principal		<u>28,007.48</u>
Balance - December 31, 2016	C	<u>\$ 133,166.51</u>

<u>Loan Principal Repayment Schedule</u>			
<u>Calendar Year</u>	<u>March 25th</u>	<u>Sept. 25th</u>	<u>Total</u>
2017	\$ 14,214.14	\$ 14,356.28	\$ 28,570.42
2018	14,499.85	14,644.84	29,144.69
2019	14,791.29	14,939.21	29,730.50
2020	15,088.60	15,239.48	30,328.08
2021	15,392.82	-	15,392.82
	<u>\$ 73,986.70</u>	<u>\$ 59,179.81</u>	<u>\$ 133,166.51</u>
<u>Reference</u>			C

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-6

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2016**

Ordinance Number	Improvement Description	Ordinance Amount	Balance December 31, 2015		2015 Authorization	2015				Balance December 31, 2016	
			Funded	Unfunded		Down Payment	Paid or Charged	Cancellations	Adjustments	Funded	Unfunded
05-29	Various Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
06-35	Multi Purpose	250,000.00	-	-	-	-	-	-	-	-	-
12-13	Multi Purpose Ordinance	5,124,370.00	12,985.89	-	-	-	12,578.29	1,011.60	3,750.00	3,146.00	-
13-17	Reappropriation Ordinance Various Equipment	-	-	-	-	-	-	-	-	-	-
13-24	Various Improvements	-	-	100,825.30	-	-	49,444.91	32,698.67	-	-	18,681.72
13-43	Reappropriation Ordinance	-	-	-	-	-	-	-	-	-	-
14-06	Various Equipment and Improvements	5,994,176.10	-	2,229,322.85	-	-	85,250.47	144,072.38	-	-	2,000,000.00
14-20	Reappropriation Ordinance - Various Equipment	-	604.00	-	-	-	-	-	-	604.00	-
14-26	Police Technology Equipment	-	-	7,356.69	-	-	7,356.69	-	-	-	-
15-05	Supplement to 2014-06	170,000.00	3,338.33	-	-	-	3,338.33	-	-	-	-
15-16	Various Improvements	4,204,802.00	-	856,913.34	-	-	395,440.17	30,000.00	-	-	431,473.17
15-22	Reappropriation	80,000.00	7,997.14	-	-	-	6,762.45	1,234.69	-	0.00	-
15-39	Various Improvements	185,200.00	147,040.75	-	-	-	77,170.84	69,869.91	-	-	-
16-08	Various Improvements	3,922,757.00	-	-	3,922,757.00	196,138.00	3,562,168.33	220,000.00	-	140,588.67	-
16-13	Rehabilitation of Hollowbrook Community Center	4,300,000.00	-	-	4,300,000.00	215,000.00	2,988,884.14	-	-	-	1,311,115.86
16-19	Acquisition of Various Equipment	440,000.00	-	-	440,000.00	440,000.00	-	-	-	440,000.00	-
			<u>\$ 171,966.11</u>	<u>\$ 3,194,418.18</u>	<u>\$ 8,662,757.00</u>	<u>\$ 851,138.00</u>	<u>\$ 7,188,394.62</u>	<u>\$ 498,887.25</u>	<u>\$ 3,750.00</u>	<u>\$ 584,338.67</u>	<u>\$ 3,761,270.75</u>
	<u>Reference</u>		C	C	C-2	C-2	C-7			C	C

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-7

GENERAL CAPITAL FUND
STATEMENT OF CHANGES IN FUND BALANCE
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2015	C	\$ 236,514.28
Increased by		
Improvement Authorization Cancelled	C-6	498,887.25
Decreased by		
Appropriated to Finance Improvement Authorizations	C-2	655,000.00
Balance - December 31, 2016	C, C-1	<u><u>\$ 80,401.53</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-8

GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2015	C	\$ 1,061,795.58
Decreased by Principal Payments		<u>252,701.96</u>
Balance - December 31, 2016	C	<u><u>\$ 809,093.62</u></u>

<u>Principal Repayment Schedule</u>				
	<u>Fund Loan</u>		<u>Trust Loan</u>	
<u>Calendar Year</u>	<u>February 1</u>	<u>August 1</u>	<u>August 1</u>	<u>Total</u>
2017	5,436.00	103,547.00	155,000.00	263,983.00
2018	7,022.00	104,014.00	160,000.00	271,036.00
2019	-	104,075.58	170,000.00	274,075.58
	<u>\$ 12,458.00</u>	<u>\$ 311,636.58</u>	<u>\$ 485,000.00</u>	<u>\$ 809,094.58</u>
<u>Reference</u>				C

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-9

GENERAL CAPITAL FUND
STATEMENT OF CHANGES IN CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2016

	<u>Reference</u>	
Balance - December 31, 2015	C	\$ 106,220.15
Increase: Budget Appropriation	A-2	100,000.00
		<u>206,220.15</u>
Decrease: Finance Improvement Authorizations	C-2	<u>196,138.00</u>
Balance - December 31, 2016	C	<u><u>\$ 10,082.15</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-10

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
Year Ended December 31, 2016

	<u>Reference</u>		
Balance - December 31, 2015	C		\$ 8,893,431.73
Increased by:			
GO Bonds Issued	C-3	<u>16,161,000.00</u>	16,161,000.00
Decreased by:			
Payment of			
Bonds Principal	C-3	2,250,000.00	
Loans Payable		280,709.44	
MCIA		<u>171,462.16</u>	2,702,171.60
Balance - December 31, 2016	C		<u><u>\$ 22,352,260.13</u></u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

D

**SEWER OPERATING FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

		December 31,	
	Reference	2016	2015
ASSETS			
Cash		\$ 254,359.02	\$ 260,026.07
Due from Current Fund		-	-
Delinquent Sewer Fees Receivable	D-1	42,009.79	4,696.08
Sewer Liens Receivable		531.07	531.07
Deferred Charges			
Operating Deficit		11,569.02	-
		<u>\$ 308,468.90</u>	<u>\$ 265,253.22</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities and Reserves			
Appropriation Reserves		\$ 23,096.07	\$ 572.80
Sewer Overpayments		1,572.35	-
Prepaid Sewer		15,777.55	15,050.58
Reserve for Delinquent Sewer Fees Receivable	D-1	42,009.79	4,696.08
Reserve for Sewer Liens Receivable		531.07	531.07
Due to Current Fund		224,819.08	43,739.70
Total Liabilities and Reserves		<u>307,805.91</u>	<u>64,590.23</u>
Fund Balance	D-2	662.99	200,662.99
		<u>\$ 308,468.90</u>	<u>\$ 265,253.22</u>

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-1

**SEWER OPERATING FUND
SCHEDULE OF SEWER CHARGES RECEIVABLE
Year Ended December 31, 2016**

<u>Year</u>	<u>Balance December 31, 2015</u>	<u>2016 Levy</u>	<u>Cancelled/Billing Adjustments</u>	<u>2016 Collections</u>	<u>Payment Adjustments</u>	<u>Balance December 31, 2016</u>
<u>RESIDENTIAL</u>						
2015	4,696.08	-	-	4,696.08	-	-
2016		6,508,086.38	27,958.46	6,434,005.26	4,112.87	42,009.79
<u>COMMERCIAL</u>						
2015	-	431,118.55	-	431,118.55	-	-
2016	-	1,320,664.59	-	1,320,664.59	-	-
	<u>\$ 4,696.08</u>	<u>\$ 8,259,869.52</u>	<u>\$ 27,958.46</u>	<u>\$ 8,190,484.48</u>	<u>\$ 4,112.87</u>	<u>\$ 42,009.79</u>
<u>Reference</u>	D			D-2		D

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-2

SEWER OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Surplus Anticipated	\$ 200,000.00	\$ 200,000.00	\$ -
Current Year Sewer Rents	8,250,201.77	8,190,484.48	(59,717.29)
Interest and Costs	<u>40,000.00</u>	<u>87,265.57</u>	<u>47,265.57</u>
Total Revenues	<u>8,490,201.77</u>	<u>8,477,750.05</u>	<u>(12,451.72)</u>
EXPENDITURES			
Salaries and Wages	50,000.00	50,000.00	-
Other Expenses	5,000.00	5,000.00	-
ELSA Charges	<u>8,435,201.77</u>	<u>8,435,201.77</u>	<u>-</u>
Total Expenditures	<u>8,490,201.77</u>	<u>8,490,201.77</u>	<u>-</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	(12,451.72)	<u>\$ (12,451.72)</u>
Other Credits to Income		<u>882.70</u>	(11,569.02)
Deferred Charges to be Raised in Succeeding Year's Budget Current Year Operating Deficit		<u>11,569.02</u>	
Statutory Excess to Fund Balance		-	
Fund Balance January 1, 2016		200,662.99	
Decreased by: Utilization in CY Budget		200,000.00	
Fund Balance December 31, 2016		<u>\$ 662.99</u>	

D

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

E

GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS

	<u>December 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2016</u>
Assets				
General Fixed Assets				
Land	\$ 10,101,800.00	\$ -	\$ -	\$ 10,101,800.00
Buildings and Improvements	10,940,500.00	-	-	10,940,500.00
Furniture, Fixtures and Equipment	<u>20,489,704.51</u>	<u>4,125,966.00</u>	<u>2,856,545.00</u>	<u>21,759,125.51</u>
Total General Fixed Assets	<u>\$ 41,532,004.51</u>	<u>\$ 4,125,966.00</u>	<u>\$ 2,856,545.00</u>	<u>\$ 42,801,425.51</u>
 Investment in General Fixed Assets	 <u>\$ 41,532,004.51</u>			 <u>\$ 42,801,425.51</u>

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SUPPLEMENTARY INFORMATION

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

GENERAL COMMENTS
Year Ended December 31, 2016

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

Local units and boards of education that have appointed a Qualified Purchasing Agent pursuant to N.J.S.A. 40A:11-9(b) and take advantage of a higher bid threshold pursuant to N.J.S.A. 40A:11-3(a) and 18A:18A-3(a), have their maximum bid threshold increased from \$36,000 to \$40,000. Where the higher bid threshold is authorized, appropriate action should be taken to adjust the locally set amount.

The Township has a Qualified Purchasing Agent.

Please remember that contracts exceeding the new threshold are subject to the appropriate requirements of the Local Public Contracts Law and the Public School Contracts Law. As a result of the change in bid threshold, the 15% threshold for the informal receipt of quotations thresholds of N.J.S.A. 40A:11-6.1(a) and 18A:18A-37(a) also changes. The following table summarizes the new bid and quotation thresholds.

	<u>Bid Threshold</u>	<u>Quotation Threshold</u>
Base amount	\$ 17,500	\$ 2,625
With qualified purchasing agent	40,000	6,000

Public Bidding Compliance

The minutes indicate that bids were requested by public advertisement for the following items:

- Electrical upgrades
- Roadway improvements
- Ambulances
- Physician services
- Heavy duty rescue truck
- Rescue equipment
- Restoration services to bath house
- Elevator inspection services
- Supply and delivery of electricity
- Supply and delivery of natural gas

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

GENERAL COMMENTS (CONTINUED)
Year Ended December 31, 2016

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Insofar as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, if any obvious violations existed, results would be indicated in the schedule of current year findings and recommendations. No obvious violations were noted.

Any interpretation as to possible violations of N.J.S. 40A:11-4 or N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

Additional Information

Delinquent Taxes and Tax Title Liens

There was a tax sale held on December 28, 2016, for the year ended December 31, 2016.

**TOWNSHIP OF EWING
COUNTY OF MERCER, STATE OF NEW JERSEY**

OFFICIALS IN OFFICE AND SURETY BONDS

SCHEDULE 1

Name	Title	Term Expires	Surety
Bert Steinmann	Mayor	December 31, 2018	\$ 50,000.00
David Schroth	Council President	December 31, 2020	50,000.00
Sarah Steward	Council Vice President	December 31, 2018	50,000.00
Kathy Wollert	Council Person	December 31, 2018	50,000.00
Kevin Baxter	Council Person	December 31, 2020	50,000.00
Jennifer Keyes-Maloney	Council Person	December 31, 2020	50,000.00
James McManimon	Business Administrator	AT WILL	50,000.00
Joanna Mustafa	Certified Municipal Finance Officer/Assistant Business Administrator	Tenured	1,000,000.00
Stevens & Lee	Attorney	December 31, 2016	N/A
ASSESSMENT OF TAXES:			
Jeff Burd	Assessor	Tenured	50,000.00
COLLECTION OF TAXES:			
Thomas Hespe	Tax Collector	Tenured	500,000.00
OTHER DEPARTMENTS:			
Bertha Scott	Prosecutor	December 31, 2016	N/A
Maryann Convenio	Acting Municipal Court Administrator	Civil Service	50,000.00
Antonio Martinez	Public Defender	December 31, 2016	N/A
John Stemler III	Chief of Police	Civil Service	50,000.00
James Scott	Construction Official, Assistant Zoning Officer, & Fire Official	Civil Service	50,000.00
Sharon McNellis-Kissel	Health Officer	Shared Service	50,000.00
Remington Vernick & Arango	Engineer	December 31, 2016	N/A
Theodore Forst	Recreation Superintendent, Director Community Services	Civil Service	50,000.00
Robert Wood Johnson	Physician	December 31, 2016	N/A
Roger Haley	Municipal Judge	December 31, 2016	50,000.00
Rocky Peterson	Negotiator	December 31, 2016	50,000.00

**TOWNSHIP OF EWING
COUNTY OF MERCER**

SCHEDULE OF TAX RATE, TAX LEVY AND TAX COLLECTIONS

SCHEDULE 2

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	\$ 5.332	\$ 5.261	\$ 5.247
Apportionment of Tax Rate			
Municipal	\$ 1.334	\$ 1.312	\$ 1.293
County	0.988	0.990	1.038
Local School	3.010	2.959	2.916

Assessed Valuation - Net Valuation Taxable

2016	2015	2014
\$ 1,950,232,572	\$ 1,950,497,980	\$ 1,938,933,977

Comparison of Tax Levies and Cash Collections

Year	Tax Levy	Cash Collection	Percentage of Collection
2016	\$103,984,159.44	\$103,974,983.17	99.99%
2015	102,611,841.40	102,300,141.50	99.70%
2014	101,896,160.10	101,370,172.70	99.48%
2013	99,796,820.70	99,107,475.56	99.31%
2012	96,885,701.95	96,434,274.47	99.53%

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy Uncollected
2016	\$ 392,482.80	\$ 27,743.31	\$ 420,226.11	0.40%
2015	473,467.27	23,610.29	497,077.56	0.48%
2014	402,639.71	20,133.36	422,773.07	0.41%
2013	326,013.06	11,793.44	337,806.50	0.34%
2012	266,231.56	36,598.54	302,830.10	0.31%

The value of property acquired by liquidation of tax title liens on the basis of the last assessed valuation of such properties was as follows:

Year	Amount
2016	\$ 1,434,500.00
2015	1,434,500.00
2014	1,434,500.00
2013	1,434,500.00
2012	1,434,500.00
TY 2011	1,434,500.00

**TOWNSHIP OF EWING
COUNTY OF MERCER**

**SCHEDULE OF TOWNSHIP'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND CONTRIBUTIONS**

SCHEDULE 3

Schedule of Required Supplementary Information
Schedule of Township's Proportionate Share of Net Pension Liability

PERS - Last 10 Fiscal Years

	2016	2015	2014
Township's proportion of the net pension liability	0.1135512403%	0.1068979879%	0.1008439525%
Township's proportionate share of net pension liability	\$ 33,630,620.00	\$ 23,996,456.00	\$ 18,880,746.00
Township's covered-employee payroll	7,544,455.31	8,075,157.00	7,423,390.10
Township's proportionate share of net pension liability as a % of payroll	445.77%	297.16%	254.34%
Total pension liability	56,179,133.38	46,083,273.65	39,401,215.24
Plan fiduciary net position	22,548,512.93	22,086,817.48	20,520,469.25
Plan fiduciary net position as a % of total pension liability	40.14%	47.93%	52.08%

PFRS Plan - Last 10 Fiscal Years

	2016	2015	2014
Township's proportion of the net pension liability	0.2393440259%	0.2518592452%	0.2733575781%
Township's proportionate share of net pension liability	\$ 45,720,831.00	\$ 41,950,971.00	\$ 34,385,848.00
Township's covered-employee payroll	10,219,726.00	9,963,000.00	9,749,272.00
Township's proportionate share of net pension liability as a % of payroll	447.38%	421.07%	352.70%
Total pension liability	103,268,690.36	104,432,088.19	101,323,243.14
Plan fiduciary net position	53,708,443.21	58,802,157.83	63,234,617.34
Plan fiduciary net position as a % of total pension liability	52.01%	56.31%	62.41%

Schedule of Township's Contributions
PERS - Last 10 Fiscal Years

	2016	2015	2014
Contractually required contribution	\$ 1,008,773.00	\$ 919,036.00	\$ 831,343.00
Contributions in relation to the contractually required contribution	1,257,656.00	1,169,736.00	1,074,986.00
Township's covered employee payroll	7,544,455.31	8,075,157.00	7,423,390.10
Contributions as a % of covered employee payroll	16.67%	14.49%	14.48%

PFRS - Last 10 Fiscal Years

	2016	2015	2014
Contractually required contribution	\$ 1,951,469.00	\$ 2,047,240.00	\$ 2,099,575.00
Contributions in relation to the contractually required contribution	2,340,083.00	2,387,477.00	2,290,797.02
Township's covered employee payroll	10,219,726.00	9,963,000.00	9,749,272.00
Contributions as a % of covered employee payroll	22.90%	23.96%	23.50%

STATISTICAL SECTION

**REAL ESTATE ASSESSMENT INFORMATION
UNAUDITED**

TREND OF REAL ESTATE VALUATIONS

	<u>Net Assessed Valuation Taxable</u>	<u>Equalized Valuation</u>	<u>Percentage of Net Assessed to Market Value</u>
2016	\$ 1,950,232,572.00	\$ 2,875,320,540.00	67.83%
2015	1,950,497,980.00	2,928,812,283.00	66.60%
2014	1,938,933,977.00	2,900,189,333.00	66.86%
2013	1,930,845,585.00	3,024,414,042.00	63.84%
2012	1,894,846,400.00	3,194,730,665.00	59.31%

REAL PROPERTY VALUATIONS (in thousands of dollars)

	<u>Vacant & Farms</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Pers. Property</u>	<u>Total</u>
2016	\$ 21,469.00	\$ 1,333,114.00	\$ 496,195.00	\$20,004.00	\$ 70,627.00	\$ 8,823.00	1,950,232.00
2015	17,434.00	1,329,254.00	503,965.00	18,835.00	73,076.00	7,934.00	1,950,498.00
2014	18,300.00	1,324,232.00	503,936.00	18,769.00	64,627.00	9,072.00	1,938,934.00
2013	17,771.00	1,326,103.00	494,366.00	18,884.00	64,626.00	9,094.00	1,930,844.00
2012	22,471.00	1,315,689.00	463,296.00	18,961.00	64,816.00	9,613.00	1,894,846.00

**TOWNSHIP OF EWING
COUNTY OF MERCER**

TABLE 2

**SCHEDULE OF LARGEST TAXPAYERS
UNAUDITED**

<u>Taxpayer</u>	<u>Business Type</u>	<u>2016 Assessed Valuation</u>	<u>As a Percent of Total Net Assessed Taxable Valuation</u>
1 NJ Manufacturers	Insurance	\$ 47,037,200	2.41%
2 Church & Dwight	Household Products	34,000,000	1.74%
3 Princeton South Development	Commercial	22,010,500	1.13%
4 Ewing Properties, LLC	Commercial	21,447,000	1.10%
5 Pfizer	Pharmaceuticals	18,529,900	0.95%
6 Educational Testing Services	Education	14,463,700	0.74%
7 Mountainview Office Park	Commercial	13,712,200	0.70%
8 Levin Properties	Retail	13,313,000	0.68%
9 Bell Atlantic/Verizon	Communications	12,855,522	0.66%
10 Halston Builders	Apartment Complex	10,201,800	0.52%
		<u>\$ 207,570,822</u>	<u>10.64%</u>

**COST PER CAPITA AND BUDGET PERCENTAGES FOR SELECTED OPERATING FUNCTIONS
UNAUDITED**

	2016	2015	2014
General Government	\$ 2,685,509.00	\$ 3,601,133.08	\$ 2,262,129.50
Percent to Total	6.10%	8.05%	5.26%
Cost per Capita	75.21	100.85	63.35
Boards and Committees	997,615.47	764,950.00	499,227.26
Percent to Total	2.27%	1.71%	1.16%
Cost per Capita	27.94	21.42	13.98
Insurance	8,362,639.00	8,082,714.00	8,354,626.00
Percent to Total	18.99%	18.06%	19.43%
Cost per Capita	234.20	226.36	233.98
Public Safety	13,826,015.00	13,342,097.00	13,210,867.60
Percent to Total	31.40%	29.82%	30.72%
Cost per Capita	387.21	373.65	369.98
Public Works	3,338,666.55	3,560,707.00	3,435,900.00
Percent to Total	7.58%	7.96%	7.99%
Cost per Capita	93.50	99.72	96.22
Recreation, Health and Human Services	2,052,610.00	2,271,900.00	2,225,100.00
Percent to Total	4.66%	5.08%	5.17%
Cost per Capita	57.48	63.63	62.32
Utilities and Bulk Purchases	1,445,000.00	1,420,000.00	1,493,500.00
Percent to Total	3.28%	3.17%	3.47%
Cost per Capita	40.47	39.77	41.83
Trash Removal and Disposal	1,825,000.00	1,845,000.00	2,179,878.26
Percent to Total	4.14%	4.12%	5.07%
Cost per Capita	51.11	51.67	61.05
Public & Private Programs Offset by Revenues	698,219.18	891,577.42	459,280.57
Percent to Total	1.59%	1.99%	1.07%
Cost per Capita	19.55	24.97	12.86
Debt Service	3,091,991.01	3,034,728.31	3,041,295.30
Percent to Total	7.02%	6.78%	7.07%
Cost per Capita	86.59	84.99	85.17
Reserve for Uncollected Taxes	94,516.52	198,726.91	611,257.27
Percent to Total	0.21%	0.44%	1.42%
Cost per Capita	2.65	5.57	17.12
Other and Statutory	5,617,498.00	5,729,825.51	5,226,083.00
Percent to Total	12.76%	12.81%	12.15%
Cost per Capita	157.32	160.47	146.36
Total Annual Expenditures	<u>\$ 44,035,279.73</u>	<u>\$ 44,743,359.23</u>	<u>\$ 42,999,144.76</u>
Local Taxes	<u>\$ 26,018,360.52</u>	<u>\$ 25,076,199.17</u>	<u>\$ 24,550,123.00</u>
Population Last Census	35,707	35,707	35,707

**RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS TO EQUALIZED VALUE
AND DEBT PER CAPITA – UNAUDITED
LAST FIVE FISCAL YEARS**

<u>Year</u>	<u>Population</u>	<u>Average Equalized Valuation</u>	<u>Debt</u>	<u>Debt per Capita</u>	<u>Ratio of Gross Bonded Debt to Equalized Valuation</u>	<u>Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Equalized Valuation</u>	<u>Net Bonded Debt per Capita</u>
2016	35,707	\$ 2,852,046,048.00	\$22,352,260.13	\$ 625.99	0.78%	\$21,410,000.00	0.75%	\$ 599.60
2015	35,707	2,845,882,114.00	21,157,031.57	592.52	0.74%	7,499,000.00	0.26%	210.01
2014	35,707	2,874,662,675.33	19,452,836.19	544.79	0.68%	9,674,000.00	0.34%	270.93
2013	35,707	2,935,415,495.67	15,858,204.19	444.12	0.54%	11,799,000.00	0.40%	330.44
2012	35,707	3,070,722,432.00	15,861,821.00	444.22	0.52%	13,799,000.00	0.45%	386.45

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APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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_____, 2018

Township Council of the
Township of Ewing, in the
County of Mercer, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Ewing, in the County of Mercer, New Jersey (the "Township") in connection with the issuance by the Township of \$8,913,500 Notes, consisting of an \$8,458,500 Bond Anticipation Note (the "Bond Anticipation Note") and a \$455,000 Special Emergency Note (the "Special Emergency Note" and, together with the Bond Anticipation Note, the "Notes") dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction, and have undertaken such research and analyses as we have deemed necessary.

The Bond Anticipation Note is issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award dated the date hereof, and each in all respects duly approved and published as required by law. The Bond Anticipation Note is a temporary obligation issued in anticipation of the issuance of bonds.

The Special Emergency Note is issued pursuant to the Local Budget Law of the State of New Jersey and an ordinance, in all respects duly approved and published as required by law, of the Township listed in the Certificate of Determination and Award dated the date hereof. The Special Emergency Note is issued pursuant to N.J.S.A. 40A:4-53.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bond Anticipation Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Bond Anticipation Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the Township without limitation as to rate or amount.

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

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax ("AMT"), however, during tax years beginning before January 1, 2018, interest on the Notes held by a corporation (other than an S corporation regulated investment company or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

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

Very truly yours,