

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 22, 2018

NEW ISSUE (BOOK-ENTRY ONLY)

RATING ON BONDS: Moody's: "Aa2"
(See "RATING" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Tax-Exempt Bonds and Tax-Exempt Notes (as respectively defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax on individuals. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

**TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX
STATE OF NEW JERSEY**

**\$19,950,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
AND
\$5,387,000 WATER UTILITY BONDS, SERIES 2018**

**\$4,808,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
(FEDERALLY TAXABLE)**

**Dated: Date of Delivery
Due: February 1, as shown on the inside front cover**

**\$13,731,000 BOND ANTICIPATION NOTES,
SERIES 2018**

**Coupon: _____%
Yield: _____%**

**\$6,040,000 PARKING UTILITY NOTES, SERIES 2018
(FEDERALLY TAXABLE)**

**Coupon: _____%
Yield: _____%**

**Dated: Date of Delivery
Due: April 9, 2019**

The \$19,950,000 General Improvement Bonds, Series 2018 (the "General Improvement Bonds") and \$5,387,000 Water Utility Bonds, Series 2018 (the "Water Utility Bonds") (collectively, the General Improvement Bonds and the Water Utility Bonds are herein referred to as the "Tax-Exempt Bonds") and the \$4,808,000 aggregate principal amount of General Improvement Bonds, Series 2018 (Federally Taxable) (the "Taxable Bonds" and together with the Tax-Exempt Bonds, the "Bonds"), are general obligations of the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township") for which the full faith and credit of the Township are pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township without limitation as to rate or amount for the payment of the principal thereof and the interest thereon.

The \$13,731,000 Bond Anticipation Notes, Series 2018 (the "Tax-Exempt Notes") and \$6,040,000 aggregate principal amount of Parking Utility Notes, Series 2018 (Federally Taxable) (the "Taxable Notes" and together with the Tax-Exempt Notes, the "Notes"), are dated the date of delivery, are general obligations of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of the issuance of which the Notes are issued, but if not so paid or if not paid from other sources, are payable ultimately 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.

The Bonds and the Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds and the Notes will be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof, with a minimum purchase of \$5,000, except that any Bonds or Notes in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof.

The Bonds shall bear interest from the date of delivery thereof, payable semi-annually on the first day of February and August of each year, commencing February 1, 2019, at such rates of interest as shown on the inside front cover hereof until maturity or prior redemption. The Bonds will be payable as to principal upon presentation and surrender thereof at the offices of the Township or a duly designated paying agent. Interest on the Bonds will be paid by check, draft or wire transfer mailed, delivered or transmitted by the Township to the registered owner thereof as of the Record Dates (as defined herein).

The Notes will bear interest at the rates set forth above, commencing on their date of delivery. Interest on the Notes will be payable at maturity as set forth above. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity.

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the Township Council on the dates set forth herein and by a resolution duly adopted by the Township Council on February 26, 2018. The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, and various bond ordinances duly adopted by the Township Council on the dates set forth herein and by a resolution duly adopted by the Township Council on February 26, 2018.

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS" under the subheadings entitled "Optional Redemption for the Tax-Exempt Bonds" and "Optional Redemption for the Taxable Bonds". The Notes are not subject to redemption prior to their stated maturity.

The Bonds and the Notes are not debt or obligations, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

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

The Bonds and Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel, and certain other conditions. NW Financial Group, LLC, Hoboken, New Jersey has served as Municipal Advisor to the Township in connection with the issuance of the Bonds and the Notes. Certain legal matters will be passed upon for the Township by the Township Attorney, Michael J. Parlavecchio, Esq., Bevan, Mosca & Giuditta, P.C., Basking Ridge, New Jersey. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about April 10, 2018.

ELECTRONIC SUBMISSIONS FOR THE TAX-EXEMPT BONDS AND THE TAXABLE BONDS, MUST BE MADE VIA PARITY AT 11:00 A.M. IN THE MANNER DESCRIBED IN AND IN ACCORDANCE WITH THE FULL NOTICES OF SALE, ON MARCH 29, 2018. ELECTRONIC SUBMISSIONS FOR THE TAX-EXEMPT NOTES AND THE TAXABLE NOTES, MUST BE MADE VIA PARITY AT 11:15 A.M. IN THE MANNER DESCRIBED IN AND IN ACCORDANCE WITH THE FULL NOTICES OF SALE, ON MARCH 29, 2018. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICES OF SALE POSTED AT WWW.PROSPECTUSHUB.COM

This is a Preliminary Official Statement "deemed final" by the Township within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Bonds or Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities law of any such jurisdiction.

**TOWNSHIP OF BLOOMFIELD
IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$25,337,000 GENERAL OBLIGATION BONDS, SERIES 2018

Consisting of:

\$19,950,000 GENERAL IMPROVEMENT BONDS, SERIES 2018

\$5,387,000 WATER UTILITY BONDS, SERIES 2018

<u>Maturity (February 1)</u>	<u>General Improvement Bonds</u>	<u>Water Utility Bonds</u>	<u>Combined Principal Amounts</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP* Number</u>
2019	\$ 555,000		\$ 555,000			
2020	555,000	\$155,000	710,000			
2021	560,000	155,000	715,000			
2022	570,000	160,000	730,000			
2023	585,000	160,000	745,000			
2024	595,000	165,000	760,000			
2025	610,000	170,000	780,000			
2026	630,000	175,000	805,000			
2027	645,000	180,000	825,000			
2028	665,000	185,000	850,000			
2029	685,000	190,000	875,000			
2030	705,000	195,000	900,000			
2031	725,000	200,000	925,000			
2032	745,000	205,000	950,000			
2033	770,000	215,000	985,000			
2034	795,000	220,000	1,015,000			
2035	820,000	230,000	1,050,000			
2036	845,000	235,000	1,080,000			
2037	875,000	245,000	1,120,000			
2038	905,000	250,000	1,155,000			
2039	935,000	260,000	1,195,000			
2040	965,000	270,000	1,235,000			
2041	1,000,000	280,000	1,280,000			
2042	1,035,000	285,000	1,320,000			
2043	1,070,000	295,000	1,365,000			
2044	1,105,000	307,000	1,412,000			

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

**TOWNSHIP OF BLOOMFIELD
IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

**\$4,808,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
(FEDERALLY TAXABLE)**

<u>Maturity (February 1)</u>	<u>Taxable Bonds</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP* Number</u>
2019	\$ 135,000			
2020	135,000			
2021	135,000			
2022	135,000			
2023	135,000			
2024	135,000			
2025	135,000			
2026	135,000			
2027	135,000			
2028	135,000			
2029	135,000			
2030	135,000			
2031	135,000			
2032	135,000			
2033	135,000			
2034	140,000			
2035	145,000			
2036	150,000			
2037	155,000			
2038	165,000			
2039	170,000			
2040	175,000			
2041	185,000			
2042	190,000			
2043	200,000			
2044	205,000			
2045	215,000			
2046	220,000			
2047	230,000			
2048	238,000			

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

**TOWNSHIP OF BLOOMFIELD
IN THE COUNTY OF ESSEX
STATE OF NEW JERSEY**

MAYOR

Michael J. Venezia

TOWNSHIP COUNCIL

Jenny Mundell
Nicholas Joanow
Sarah Cruz
Wartyna Davis
Ted Gamble
Rich Rockwell

TOWNSHIP ADMINISTRATOR

Matthew U. Watkins

CHIEF FINANCIAL OFFICER

Robert Renna

TOWNSHIP CLERK

Louise M. Palagano

TOWNSHIP ATTORNEY

Bevan, Mosca & Giuditta, P.C.
Basking Ridge, New Jersey

TOWNSHIP AUDITOR

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
Pompton Lakes, New Jersey

FINANCIAL ADVISOR

NW Financial Group, LLC
Hoboken, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township") to give any information or to make any representations with respect to the Bonds and Notes other than those contained in this Official Statement and if given or made, such information or representation must not be relied upon as having been authorized 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 Bonds and Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Township, The Depository Trust Company, New York, New York ("DTC") and other sources deemed reliable by the Township; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the Township, such information is not to be construed as a representation or warranty by the Township.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or owners of any of the Bonds or 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 herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The Township has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, 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 may not be reproduced or used in whole or part, for any other purpose. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial condition of other affairs of the Township. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

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

In order to facilitate the distribution of the Bonds and Notes, the respective Underwriters may engage in transactions intended to stabilize the price of the Bonds and Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds and Notes are offered to the public by the respective Underwriters and the yields resulting there from may vary from the initial public offering prices or yields on the cover page and/or inside cover page hereof. In addition, the Underwriters may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
OF THE
TOWNSHIP OF BLOOMFIELD
IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY
RELATING TO**

**\$19,950,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
\$5,387,000 WATER UTILITY BONDS, SERIES 2018
(THE "TAX-EXEMPT BONDS")**

AND

**\$4,808,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
(FEDERALLY TAXABLE)
(THE "TAXABLE BONDS")**

**\$13,731,168 BOND ANTICIPATION NOTES, SERIES 2018
(THE "TAX-EXEMPT NOTES")**

AND

**\$6,040,000 PARKING UTILITY NOTES, SERIES 2018
(FEDERALLY TAXABLE)
(THE "TAXABLE NOTES")**

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the Township of Bloomfield (the "Township"), in the County of Essex (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of (i) \$19,950,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds") and \$5,387,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds") (collectively, the General Improvement Bonds and the Water Utility Bonds are referred to herein as the "Tax-Exempt Bonds"); (ii) \$4,808,000 aggregate principal amount of General Improvement Bonds, Series 2018 (Federally Taxable) (the "Taxable Bonds" and together with the Tax-Exempt Bonds, the "Bonds"); and (iii) \$13,731,168 Bond Anticipation Notes, Series 2018 (the "Tax-Exempt Notes") and (iv) \$6,040,000 Parking Utility Notes, Series 2018 (the "Taxable Notes" and together with the Tax-Exempt Notes, the "Notes") of the Township. This Official Statement, which includes the cover page, inside front cover pages and appendices attached hereto, has been authorized by the Township Council, and executed by and on behalf of the Township by its Chief Financial Officer, to be distributed in connection with the sale of the Bonds and Notes.

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds are dated the date of delivery thereof and shall bear interest at the rates shown on the inside front cover pages hereof from such date, payable semi-annually on the first day of February and August of each year (each an "Interest Payment Date") until maturity or prior redemption, commencing February 1, 2019. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be paid by check, draft or wire transfer mailed, transmitted or delivered to the registered owners of the Bonds as of each respective January 15 and July 15 preceding each Interest Payment Date (the "Record Dates"), at the address shown on the registration books for the Bonds kept for that purpose by the Township's Chief Financial Officer, as Registrar and Paying Agent.

The Bonds will mature on February 1 in each of the years and in the respective principal amounts as set forth on the inside front cover pages.

The Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds (the "Securities Depository"). Purchases of beneficial interests in the Bonds will be made in book-entry only form, without certificates, in denominations of \$5,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that any Bonds in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. Under certain circumstances, such beneficial interests in the Bonds are exchangeable for one or more fully registered Bond certificates of like series, maturity and tenor in authorized denominations.

So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly by the Township as Paying Agent, or some other paying agent as may be designated by the Township, to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the owners of beneficial interests in the Bonds is the responsibility of the DTC Participants and Indirect Participants (as hereinafter defined). See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption for the Tax-Exempt Bonds

The Tax-Exempt Bonds maturing prior to February 1, 2026 are not subject to redemption prior to their stated maturities. The Tax-Exempt Bonds maturing on or after February 1, 2026 are redeemable at the option of the Township, in whole or in part, on any date on or after February 1, 2025, upon notice as required herein, at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Optional Redemption for the Taxable Bonds

The Taxable Bonds maturing prior to February 1, 2029 are not subject to redemption prior to their stated maturities. The Taxable Bonds maturing on or after February 1, 2029 are redeemable at the option of the Township, in whole or in part, on any date on or after February 1, 2028, upon notice as required herein, at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption for the Bonds

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of

the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Township. The Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization for the Issuance of the Bonds

The General Improvement Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the chart below and published and approved as required by law, and by a resolution duly adopted by the Township Council on February 26, 2018 (the "Resolution").

The Water Utility Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the chart below and published and approved as required by law, and by the Resolution.

The Taxable Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by a bond ordinance duly adopted by the Township Council of the Township on the date set forth in the chart below and published and approved as required by law, and by the Resolution.

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Bonds

The General Improvement Bonds are being issued to (i) currently refund \$19,950,000 of the Township's \$33,725,589 Bond Anticipation Notes dated January 11, 2018 and maturing April 12, 2018 and (ii) pay costs and expenses incidental to the issuance and delivery of the General Improvement Bonds.

The purposes for which the General Improvement Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described on the following table by ordinance number, description and date of final adoption and the amount of General Improvement Bonds to be issued for such purposes. The bond ordinances are:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>
10-24	Various Capital Improvements, finally adopted 8/9/10	\$ 1,675,000
12-05	Various Capital Improvements, finally adopted 2/6/12	\$ 2,124,000

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>
12-40	Various Capital Improvements, finally adopted 6/18/12	\$ 2,785,000
14-15	Various Capital Improvements, finally adopted 4/7/14	\$ 3,284,000
14-31, as replaced by 16-44	Acquisition and Improvements of Real Property and the Building Thereof for Public Purposes, finally adopted 8/11/14, as replaced on 12/12/16	\$ 9,848,000
15-55	Acquisition and Improvements of Real Property, finally adopted 10/15/15	<u>\$ 234,000</u>
TOTALS		<u>\$19,950,000</u>

The Water Utility Bonds are being issued to (i) currently refund \$5,387,000 of the Township's \$5,387,753 Water Utility Bond Anticipation Notes dated January 11, 2018 and maturing April 12, 2018 and (ii) pay costs and expenses incidental to the issuance and delivery of the Water Utility Bonds.

The purposes for which the Water Utility Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described on the following table by ordinance number, description and date of final adoption and the amount of Water Utility Bonds to be issued for such purposes. The bond ordinances are:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>
02-22	Various Capital Water Improvements, finally adopted 8/5/02	\$ 119,065
03-29	Water Main Rehabilitation, finally adopted 8/4/03	\$ 750,378
04-24	Water Main Rehabilitation, finally adopted 5/3/04	\$ 778,277
08-24	Various Capital Improvements to the Water Utility, finally adopted 5/19/08	\$ 178,198
10-25	Various Water Utility Improvements, finally adopted 8/9/10	\$ 311,082
15-19	Various Improvements to the Water Supply System, finally adopted 5/4/15	<u>\$3,250,000</u>
TOTALS		<u>\$5,387,000</u>

The Taxable Bonds are being issued to (i) currently refund the Township's \$4,808,000 Bond Anticipation Notes (Federally Taxable) dated January 11, 2018 and maturing April 12, 2018 and (ii) pay costs and expenses incidental to the issuance and delivery of the Taxable Bonds.

The purpose for which the Taxable Bonds are to be issued has been authorized by a duly adopted, approved and published bond ordinance of the Township, which bond ordinance is described on the following table by ordinance number, description and date of final adoption and the amount of Taxable Bonds to be issued for such purpose. The bond ordinance is:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount of Issue</u>
03-37	Acquisition and/or Development of Property, finally adopted 10/7/03	<u>\$4,808,000</u>
TOTALS		<u>\$4,808,000</u>

Payment of Bonds

As hereinafter stated, the Bonds are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on Bonds without limitation as to rate or amount.

DESCRIPTION OF THE NOTES

General Description

The Notes shall be dated and shall bear interest as shown on the front cover page of this Official Statement. The Notes shall bear interest at the rates as indicated on the cover of this Official Statement, payable upon maturity. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry only form, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000 or any integral multiple thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. See "DESCRIPTION OF THE NOTES" herein.

Optional Redemption

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

Authorization for the Issuance of the Notes

The Tax-Exempt Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council of the Township on the dates set forth in the chart below and published and approved as required by law, and by a resolution duly adopted by the Township Council on February 26, 2018 (the "Resolution").

The Taxable Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by a bond ordinance duly adopted by the Township Council of the Township on the date set forth in the chart below and published and approved as required by law, and by the Resolution.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Notes

The Tax-Exempt Notes are being issued to currently refund \$13,731,168 of the Township's \$33,725,589 Bond Anticipation Notes dated January 11, 2018 and maturing April 12, 2018 (the "Prior Notes") (the remaining portion of the Prior Notes is being paid by a \$40,549 2018 budgetary appropriation). The Tax-Exempt Notes and the improvements or purposes for which the Tax-Exempt Notes are to be issued have been authorized by bond ordinances duly adopted by the Township Council of the Township, which bond ordinances are described on the following table by ordinance number, description and date of final adoption and the amount of Tax-Exempt Notes to be issued for such purposes. The bond ordinances are:

Ordinance Number	Description and Date of Final Adoption	Amount
00-17	Various Capital Improvements, finally adopted 5/1/00	\$81,813
01-26	Various Capital Improvements, finally adopted 7/9/01	43,513
02-22	Various Capital Improvements, finally adopted 8/5/02	24,284
03-28	Various Capital Improvements, finally adopted 8/4/03	213,746
04-24	Various Capital Improvements, finally adopted 5/3/04	85,932
04-35	Repairs, Renovations and Improvements to Municipally Owned Properties, finally adopted 9/8/04	205,037
08-16	Repairs to the Retaining Wall at Toney's Brook, finally adopted 4/7/08	203,627
08-23	Various Capital Improvements, finally adopted 5/19/08	255,991

Ordinance Number	Description and Date of Final Adoption	Amount
14-26	Acquisition and Improvements of Real Property for Public Purposes, finally adopted 6/4/14	432,057
15-20	Various Capital Improvements, finally adopted 5/4/15	5,335,000
16-16	Various Capital Improvements, finally adopted 5/16/16	<u>6,850,000</u>
TOTAL		<u>\$13,731,000</u>

The Taxable Notes are being issued to currently refund the Township's \$6,040,000 Parking Utility Notes (Federally Taxable) dated January 11, 2018 and maturing April 12, 2018. The Taxable Notes and the improvement or purpose for which the Taxable Notes are to be issued has been authorized by a bond ordinance duly adopted by the Township Council of the Township, which bond ordinance is described on the following table by ordinance number, description and date of final adoption and the amount of Taxable Notes to be issued for such purpose. The bond ordinance is:

Ordinance Number	Description and Date of Final Adoption	Amount
17-37	Bond Ordinance Providing for as Part of the Dissolution of the Parking Authority of the Township of Bloomfield for the Assumption of Certain Outstanding Obligations of the Authority Issued to Finance Such Authority's Parking System, finally adopted 9/18/17	<u>\$6,040,000</u>
TOTAL		<u>\$6,040,000</u>

Payment of Notes

As hereinafter stated, the Notes are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on Notes without limitation as to rate or amount.

SECURITY FOR THE BONDS AND NOTES

The Bonds and Notes are valid and legally binding general obligations of the Township for which the full faith and credit of the Township are irrevocably pledged for the punctual payment of the principal of and interest on the Bonds and Notes. Unless otherwise paid from other sources, the Township has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of the Bonds and Notes and the interest thereon without limitation as to rate or amount.

The Township is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Bonds and Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF BONDS AND NOTES" and "MUNICIPAL BANKRUPTCY" herein.

The Bonds and Notes are not a debt or obligation, legal, moral or otherwise of the State or any county, municipality or political subdivision thereof, other than the Township.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the Township as of the date hereof.

MARKET PROTECTION

The Township does anticipate issuing additional bond anticipation notes in 2018.

BOOK-ENTRY ONLY SYSTEM

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

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

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

Purchases of the Bonds or Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds or Notes on DTC's records. The ownership interest of each actual purchaser of Bonds or 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 Bonds or 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 Bonds or Notes, except in the event that use of the book-entry system for the Bonds or Notes is discontinued.

To facilitate subsequent transfers, all Bonds or Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds or Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds or 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. Beneficial Owners of the Bonds or Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds or Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Principal and interest payments on the Bonds and Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Paying Agent, 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, nor its nominee, Paying Agent or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds and Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds or Notes, the following provisions apply: (i) the Bonds or Notes may be exchanged for an equal aggregate principal amount of Bonds or Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township or Paying Agent; (ii) the transfer of any Bonds or Notes may be registered on the books maintained by the Township or Paying Agent for such purposes only upon the surrender thereof to the Township or Paying Agent together with the duly executed assignment in form satisfactory to the Township or Paying Agent; and (iii) for every exchange or registration of transfer of Bonds or Notes, the Township or Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds or Notes. Interest on the Bonds or Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The Township has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of Township debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The Township is not required to submit the proposed incurrence of indebtedness to a public referendum.

The Township, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the Township Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the Township.

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

The Bonds and Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the Township are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the Township) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the Township, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the Township is permitted to authorize. The authorized bonded indebtedness of a Township is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the Township for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" herein.

As shown in APPENDIX A, the Township has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the Township may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and

convenience or betterment of the inhabitants of the Township and that the 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 services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district. The Township has not exceeded its debt limit.

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

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", must be completed within six (6) months (June 30) after the close of the Township's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Township Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the Township Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the Township, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. It reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual financial statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school districts of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the Township conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the Township does not record obligations for accumulated unused vacation and sick pay.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the Township, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the Township's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow “eligible” and “qualifying” municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the Township was not eligible for local examination of its budget in 2014. The Township has adopted its 2015 budget in accordance with the procedures described under the heading entitled, “FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)”.

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the “Cap Law” (the “Cap Law”). The Cap Law provides that the Township shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the Township may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the Township for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year’s final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored “CAP” banking to the Local Budget Law. Municipalities are permitted to appropriate available “CAP Bank” in either of the next two (2) succeeding years’ final appropriations. The Township has not utilized a portion of its “Cap Bank” in its 2013 Budget. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “CAP”.

Additionally, new legislation constituting P.L. 2010, c.44, effective July 13, 2010, imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care costs in excess of 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division of Local Government Services has advised that counties and municipalities must comply with both budget “CAP” and the tax levy limitation. Neither the tax levy limitation nor the “CAP” law, however, limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes, including the Bonds and Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the Township, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

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. N.J.S.A 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

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

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{rcl}
 \text{Total of Local, County, and School Levies} & - & \text{Anticipated Revenues} \\
 & = & \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes}
 \end{array}$$

$$\frac{\text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes}}{\text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)}} = \text{Amount to be Raised by Taxation}$$

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall 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 of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the Township 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 (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Township, the 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 provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special district.

Tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Township Attorney (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review or the 1st day of May for municipalities that have conducted revaluations. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Tax-Exempt Bonds and the Tax-Exempt Notes in order for the interest on the Tax-Exempt Bonds and Tax-Exempt Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Tax-Exempt Bonds or Tax-Exempt Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds and the Tax-Exempt Notes. The Township will represent in its tax certificate that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code described above, interest on the Tax-Exempt Bonds and Tax-Exempt Notes is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax on individuals.

The Tax-Exempt Bonds and the Tax-Exempt Notes do not constitute “qualified tax-exempt obligations” as defined in and for the purpose of Section 265(b)(3) of the Code.

Additional Federal Income Tax Consequences Relating to the Tax-Exempt Bonds and the Tax-Exempt Notes

Prospective purchasers of the Tax-Exempt Bonds and the Tax-Exempt Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Tax-Exempt Bonds and the Tax-Exempt 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 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 insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Tax-Exempt Bonds and the Tax-Exempt Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds and Notes, and any gain on the sale thereof, is not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds or Notes.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the federal and State tax-exempt status of interest on the Bonds and the Notes and the State tax-exempt status of interest on the Bonds and Notes, gain from the sale or other disposition of the Bonds and the Notes, the market value of the Bonds and the Notes or the marketability of the Bonds and the Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds and Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds and Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C and APPENDIX D for the complete text of the proposed forms of Bond Counsel legal opinions with respect to the Bonds and APPENDIX E and APPENDIX F for the complete text of the proposed forms of Bond Counsel legal opinions with respect to the Notes.

Prospective purchasers of the Bonds and Notes should consult their tax advisors with respect to all tax consequences (including but not limited to those listed above) of holding the Bonds and Notes.

LEGALITY FOR INVESTMENT

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

RISK TO HOLDERS OF BONDS AND NOTES

It is understood that the rights of the holders of the Bonds and Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE TOWNSHIP HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE TOWNSHIP EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS AND NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Township should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provided that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the Township, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the Township defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the

Township in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the Township is so in default. Once a judgment is entered by the Superior Court to the effect that the Township is in default, the Municipal Finance Commission (the "Commission") would become operative in the Township. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE TOWNSHIP

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

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds and Notes are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds and Notes substantially in the forms set forth as APPENDIX C, APPENDIX D, APPENDIX E and APPENDIX F, respectively, hereto. Certain legal matters with respect to the Bonds and Notes will be passed on for the Township by its Township Attorney, Bevan, Mosca & Giuditta, P.C., Basking Ridge, New Jersey (the "Township Attorney").

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Robert Renna, Chief Financial Officer, Township of Bloomfield, Municipal Plaza, Bloomfield, New Jersey 07003, Telephone (973) 680-4041, Lisa A. Gorab, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6459, or Timothy Eismeier, NW Financial Group, LLC, 2 Hudson Place, Hoboken, New Jersey 07030, (201) 656-0115.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey has served as municipal advisor to the Township with respect to the issuance of the Bonds and Notes ("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.

LITIGATION

To the knowledge of the Township Attorney there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds or Notes offered for sale or the levy and collection of any taxes to pay the principal of or the interest on said Bonds or Notes, or in any manner questioning the authority of a proceeding for the issuance of the Bonds or Notes or for the levy or collection of taxes to pay the principal of and interest on the Bonds or Notes, or any action contesting the corporate existence or boundaries of the Township or the title of any of its present officers. Further, to the knowledge of the Township Attorney, there is no litigation presently pending or threatened against the Township that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. The respective original purchasers of the Bonds and Notes will receive a certificate of the Township Attorney to such effect upon the closing of the Bonds and Notes.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

The Township has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the Township on or prior to September 30 of each year and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in APPENDIX G attached hereto. Such Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB").

Within the past five years the Township has failed to comply with its prior undertakings to provide secondary market disclosure in connection with obligations issued by the Township and obligations issued by the Township of Bloomfield Parking Authority. Specifically, the Township failed to timely file certain annual financial information and operating data for the years ended December 31, 2011 through 2013. In addition, the Township did not promptly file certain material event notices relating to the underlying and insured rating changes. The Township has recently engaged the services of a dissemination agent, which will act as dissemination agent for the Township in connection with all of the Township's ongoing continuing disclosure obligations.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

In addition, the Township has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes, as set forth in section (b)(5)(i)(C) of the Rule (the "Notices"). The Notices will be filed by the Township with the MSRB. The specific nature of the Notices will be detailed in a certificate to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in APPENDIX H hereto, such certificate to be delivered concurrently with the delivery of the Notes.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement except for the collection of financial, statistical or demographic information contained in this Official Statement and has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Ferraioli, Wielkottz, Cerullo & Cuva, P.A., Pompton Lakes, New Jersey, the Auditor to the Township, has participated in the preparation of the information contained in this Official Statement but has not verified

the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report appearing in APPENDIX B hereto.

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

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

RATING

Moody's Investors Service, Inc. (the "Rating Agency"), has assigned a rating of "Aa2" to the Bonds.

An explanation of the significance of the ratings on the Bonds may be obtained from the Rating Agency. Such rating reflect only the views of the Rating Agency, and there is no assurance that the rating will continue for any period of time or that they will not be revised or withdrawn entirely, if in the judgment of the Rating Agency, circumstances so warrant. Any revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Bonds.

The Notes are not rated.

UNDERWRITING

The Tax-Exempt Bonds have been purchased from the Township at a public sale by _____ (the "Tax-Exempt Bond Underwriter") at a price of \$ _____. The purchase price of the Tax-Exempt Bonds reflects the par amount of Tax-Exempt Bonds, less an Underwriter's discount of \$ _____ plus a net original issue premium of \$ _____.

The Taxable Bonds have been purchased from the Township at a public sale by _____ (the "Taxable Bond Underwriter") at a price of \$ _____. The purchase price of the Taxable Bonds reflects the par amount of Taxable Bonds, less an Underwriter's discount of \$ _____ plus a net original issue premium of \$ _____.

The Tax-Exempt Notes have been purchased from the Township at a public sale by _____ (the "Tax-Exempt Note Underwriter") at a price of \$ _____. The purchase price of the Tax-Exempt Notes reflects the par amount of Tax-Exempt Notes, less an Underwriter's discount of \$ _____ plus an original issue premium of \$ _____.

The Taxable Notes have been purchased from the Township at a public sale by _____ (the "Taxable Note Underwriter") at a price of \$ _____. The purchase price of the Taxable Notes reflects the par amount of Taxable Notes, less an Underwriter's discount of \$ _____ plus an original issue premium of \$ _____.

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

The Tax-Exempt Note Underwriter may offer and sell the Tax-Exempt Notes to certain dealers (including dealers depositing the Tax-Exempt Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The financial statements of the Township for the years ended December 31, 2016, together with the Notes to the Financial Statements for the year ended December 31, 2016 are presented in APPENDIX B to this Official Statement. The financial statements referred to above have been audited by Ferrailo, Wielkott, Cerullo & Cuva, P.A., New Jersey, independent auditors, as stated in their report appearing in APPENDIX B.

MISCELLANEOUS

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

This Official Statement is not to be construed as a contract or an agreement between the Township and any purchasers or holders of any of the Bonds or 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 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 have been no changes in the affairs of the Township, the State or any of their agencies or authorities, since the date hereof.

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

TOWNSHIP OF BLOOMFIELD

ROBERT RENNA,
Chief Financial Officer

DATED: March ____, 2018

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APPENDIX A

**CERTAIN ECONOMIC INFORMATION
RELATING TO THE TOWNSHIP OF BLOOMFIELD**

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GENERAL INFORMATION

Introduction

The Township of Bloomfield, incorporated in the year 1900, is located in northern Essex County, New Jersey, approximately 15 miles from New York City. The Township has an area of 5.4 square miles and, with a population in 2010 of 47,315 is the fourth most populous community in Essex County. The Township has 11,653 homes, 98 apartment complexes, 680 commercial properties, 27 industrial properties and 86 vacant parcels. The Township has freight and passenger train service, bus transportation and has access to an excellent highway network including the Garden State Parkway.

Municipal Government

The Township is managed under the policies of the Mayor and Township Council which are elected by the people for three-year terms. The terms of the governing body are staggered so that in one election year the Mayor and three Councilmen-at-large are elected; in the second year, one Councilman representing each of the three wards is elected; and in the third year, no members of the governing body are elected. Elections are conducted on a partisan basis, with the political parties nominating candidates in the primary election, and the voters electing candidates in the general election from amongst the persons nominated in the primary election.

The Mayor is the presiding officer of the Township Council and is Chief Executive of the community. The Township Council serves as the governing body of the Township and has the power to organize and regulate the internal affairs of the Township. The governing body adopts the Township's budget, authorizes the issuance of bonds and other obligations, levies taxes, and appropriates and authorizes expenditure of Township monies. The Mayor and Township Council appoint the Township Administrator and all other Township employees, as well as appointees to Boards, Commissions and Committees. The Mayor and Township Council, in addition to establishing the policies under which the Township is managed, are a local legislature and have the power to adopt, amend, and repeal such ordinances and resolutions as may be required for the good of the government for the Township.

The Township Administrator is responsible for the preparation of the municipal budget document for the consideration of the governing body. The Administrator is responsible for maintenance of sound personnel policies and administrative practices, as well as the implementation of the policies of the Mayor and Township Council, and the running of the local government on a day-to-day basis.

Utilities

The Township owns and operates the water distribution system (the "Water System"), made up of approximately 113 miles of water mains ranging in size from 4 to 16 inches in diameter. The Water System services approximately 11,817 users, who are charged on the basis of use according to well-established rates. The Water System is reported to be in satisfactory condition. The Township owns a 7% share of the Wanaque South Project and 4% of the Wanaque North Project located in Wanaque, New Jersey owned by the North Jersey District Water Supply Commission (the "Commission"). The Township is obligated to pay Annual Charges to the Commission under a Service Contract entered into between the Township and the Commission for its share of development and the cost of annual operations based upon its percentage of flow entitlement. The Township has transferred its right to receive water from the Wanaque South Project to the City of Newark, in return for the right to receive water from Newark's reservoir.

The Township owns and operates the sewerage collection system (the "Sewerage System") made up of approximately 90 miles of sanitary sewers. The Township is an owner municipality in the sewerage system owned by the Passaic Valley Sewerage Commission (the "PVSC System") and discharges the sewerage from the Sewerage System into the PVSC System. The expenses of the Sewerage System are met by property tax revenues of the Township and direct billings of industrial and tax exempt property owners.

The Water System and Sewerage System are financed with general obligation bonds and notes of the Township. The Water System is currently self-liquidating.

Public Safety

The Township's Police Department operates from the Law Enforcement Building which it has shared with the Municipal Court since 1973.

The Fire Department deploys its personnel from four firehouses using modern equipment and fire fighting practices. In deference to the high quality of the fire fighting services and the excellent condition of the Water System and signal system, the Insurance Service Organization has rated Bloomfield as a class 2.

Recreation

The Township enjoys an excellent recreation program for all ages, supervised by a professional staff under the authority of the Board of Recreation Commissioners.

The activities and facilities of the Board are continually being expanded to meet the requirements of all its citizens. The Board maintains and operates eight major recreation areas including three lighted tennis facilities, two lighted basketball courts and three lighted softball and two baseball diamonds. All playgrounds meet ADA requirements.

The Board takes special pride in the growth and development of its women's and girls' programs and in its canteen for special education students. Many activities are co-sponsored with such organizations as the Federation of Music, the Art League and the Federation of Bloomfield Tennis Players. The Board also works very closely with Little League, Babe Ruth Leagues, Boys' Club, Junior Football Club and the Bloomfield Senior Citizens Association.

Public Library

The Free Public Library, established in 1924, has served the residents of the Township for over seventy-five years. It is a charter member of the recently formed Essex-Hudson Regional Cooperative as well as the County of Essex Cooperating Libraries System.

The library has a total book collection of over 190,000 volumes, of which approximately 150,000 may be borrowed. Current best sellers, standard works and classics, large print books, foreign language books and many others in all fields are available. Magazines, newspapers, pamphlets, maps, college and school catalogs, films, film strips, phonograph records, videocassettes, audiocassettes, and toys, including puppets, are part of the library's collection. About 1,500 adults and children use the library daily.

Library services are many and varied, which include complete reference service; daily Interlibrary Loan Delivery; projector and screen rentals; photocopy services; microfilm readers; talking books for the partially sighted; book delivery to the homebound; exhibits; film programs; story hours for preschool children; book talks; parent discussion groups; tours of the library; and concerts, recitals and a Children's Theatre Workshop planned as part of the Performing Arts Program.

The library has an active Friends of the Library group which seeks to foster interest in the library's facilities and services. The Museum of the Historical Society of Bloomfield is housed in the library.

Library policy is determined by a nine-member Board of Trustees, each member appointed for a five- year term by the Mayor. The Mayor and Superintendent of Schools are ex-officio members of the Board.

Culture

In 1977, the Mayor and Township Council established the Bloomfield Cultural Commission. The purpose of the Commission is to promote the cultural enrichment of the community through the support of literature, art and music. The Mayor and Township Council, at the recommendation of the Cultural Commission in 1978, acquired the Oakes Estate, the largest remaining 19th century estate in Bloomfield. The Oakes Estate was the mansion and formal gardens of an early Township industrialist. The Cultural Commission named the acquisition Oakeside-Bloomfield Cultural Center (the "Cultural Center"). In 1981, a fifteen member corporation was formed to manage the new facility which occupies an entire block comprising two and one-half acres. The Oakes Estate was placed on the National Register of Historic Places. The Cultural Center is the headquarters of the Bloomfield Cultural Commission, the site of concerts, exhibits and lectures.

Bloomfield Green Historic District

One of Bloomfield's most attractive areas is the Township Green (the "Green"), which is the dominant feature of the center of the community. The Green is a constant reminder of Bloomfield's colonial heritage. In 1980, the Township recognized the Green, and the buildings that surround it, as a Historic District. The governing body has created a Historic District Review Board (the "Review Board") to review all applications for changes in structures in the Green. The Review Board advises both the Planning Board and the Zoning Board. One of the purposes of the Review Board is to maintain and develop an appropriate and harmonious setting for the historic and architecturally significant buildings, structures, and places within the Green.

Bloomfield College

Founded in 1868, Bloomfield College (the "College") is an independent, Presbyterian-affiliated institution of higher education with an enrollment of 1,200 undergraduate men and women. It offers a liberal arts-based curriculum, including several career oriented programs. The College is fully accredited, and welcomes applications from students regardless of race, religion, ethnic or national background, age, sex, or physical handicap.

Situated adjacent to the Green in Bloomfield's central historic district, the College boasts both historic buildings and modern facilities. The original College building, Seibert Hall, was constructed in 1807 and had previously been the site of the nationally known Bloomfield Academy. Other noteworthy older buildings on campus include Westminster Hall (circa 1865, with an addition in 1890), a magnificent Romanesque structure, and Jarvie Hall, a fine 19th century frame structure that served as a parsonage when Westminster Hall was used as a church. Several college buildings are listed in the National Register of Historic Places.

As the College grew and its mission developed and changed, other buildings were added to meet new needs. First founded to supply Presbyterian ministers to the region's large German-speaking population, the College today prepares students for rewarding careers in business, nursing, the sciences, social services, and other areas, and for graduate and professional school. The College has modern classroom and laboratory facilities; a modern library with a collection of over 100,000 books and other study materials and more than 800 periodicals; and residence halls to accommodate approximately 200 students.

The College also features a College Center which provides recreational facilities for the entire campus community.

The College offers a varied curriculum leading to Bachelor of Arts and Bachelor of Science degrees. Career-oriented programs include nursing, computer information systems, accounting, business administration, materials management and criminal justice. There are special programs in pre and post- chiropractic studies and a communication concentration.

The College has a large evening enrollment of adults who want to pursue their studies while continuing their careers. Through a special curriculum, Registered Nurse graduates of accredited diploma or associate degree programs may earn a bachelor's degree with a major in nursing. The College offers Certificate Programs in accounting, business management, communications, industrial/organizational psychology, computer programming and analysis, marketing, personnel, materials management and retail management.

Also available at the College are flexible study plans, summer sessions, a women's program, early college freshmen and high school scholars' programs and life assessment credit.

The College fields varsity teams in soccer, women's volleyball, men's and women's basketball, baseball and women's softball. The basketball and baseball teams are perennial contenders for conference and regional championships. There are more than 30 clubs and activities, several social fraternities and sororities, and an extensive intramural program in a variety of sports. Student government organizations include the College Day Student Government and the College Evening Student Government.

The College offers a program for senior citizens at reduced tuition, informal adult courses, financial aid workshops, courses for credit open to high school seniors and juniors and advanced placement courses for credit to Bloomfield High School students. The College provides lecture and meeting halls to community organizations when scheduling permits.

Development

There are currently a number of redevelopment and development projects underway in the Township. These projects are as follows:

<u>Project</u>	<u>Density</u>	<u>Estimated Cost of Construction</u>	<u>Status</u>
BCUR	224 Units 60K sf Retail & Restaurant 468 Space Parking Garage	\$94 million	Project is completed and occupied
110 Washington	153 Units 2K sf Retail	\$32 million	Demolition has commenced
Bloomfield College	33 Units 7K sf Retail	\$28 million	Project is completed and occupied
The Green	140 Units 10K sf Retail	48 million	Project is completed and occupied
Senior Living	164 Units 1800 sf Community Center	29 million	Project is completed and occupied
Parkway Lofts	361 Units	60 million	Project is completed and occupied
MEKKA	50 Units 2K sf Retail	14 million	Completed and occupied
Oaks Pond	332 Units	71 million	Completed and occupied
Hartz Mountain	312 Units	59 million	Partially completed and occupied

When completed, there will be 1,769 units built as well as 82,800 square foot of new retail space.

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

DEBT STATEMENT AS OF DECEMBER 31, 2017

Gross Debt:		
School Debt:		
Local Type II School District:		
Serial Bonds Issued and Outstanding		\$22,360,000
Municipal Debt:		
General Improvements:		
Serial Bonds Issued and Outstanding	\$22,655,000	
Bond Anticipation Notes Issued	39,087,247	
Green Trust Loans	458,271	
Bonds and Notes Authorized but Not Issued	<u>7,343,506</u>	
		69,544,024
Water Utility:		
Serial Bonds Issued and Outstanding	895,000	
Bond Anticipation Notes Issued	5,387,753	
Bonds and Notes Authorized but Not Issued	<u>3,469,305</u>	
		9,752,058
Parking Utility:		
Serial Bonds Issued and Outstanding	12,480,000	
Bond Anticipation Notes Issued	<u>6,040,000</u>	
		<u>18,520,000</u>
Total Gross Debt		120,176,082
Statutory Deductions:		
School Debt:		
Local Type II School District:		
Minimum (4% of Average Equalized Valuations		
\$4,372,093,913)	22,360,000	
General Purpose	1,595,000	
Self-Liquidating Purposes:		
Water Utility	9,752,058	
Parking Utility	<u>18,520,000</u>	
		<u>52,227,058</u>
Statutory Net Debt		<u>\$67,949,024</u>
Average Equalized Valuation of Real Property for 2017		<u>\$4,372,093,913</u>
Net Debt Percentage		<u>1.554%</u>

REMAINING STATUTORY BORROWING POWER

3-1/2% of Equalized Valuation Basis	\$153,023,276
Less: Statutory Net Debt	<u>67,949,024</u>
Remaining Borrowing Power December 31, 2017	<u>\$85,074,252</u>

Gross Debt is the total financial obligation of the Municipality and its Subdivisions. Statutory deductions determine the borrowing power and Statutory Net Debt under the laws of the State of New Jersey.

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

UNDERLYING DEBT
DECEMBER 31, 2017

County of Essex	\$ 410,788,661
Essex County Utilities Authority: Guaranteed Project Bonds and Notes Under Deficiency Agreement and Essex County Improvement Authority: Guarantee of Bonds Pursuant to N.J.S.A. 40:37A-80	<u>569,076,832</u>
*Gross Debt December 31, 2017	<u>\$ 979,865,493</u>
Apportionment to Township of Bloomfield	<u>\$ 51,286,760</u>
Basis of Debt Apportionment: Ratio of Equalized Valuation Township of Bloomfield - 2017	<u>\$ 4,372,093,913</u>
Total Essex County - 2017	<u>\$83,538,348,798</u>
Ratio of Township of Bloomfield	<u>5.234%</u>

*Includes both the Essex County Improvement Authority Guarantee of Bonds and Bonds Issued and Bonds Authorized but Not Issued - Capital Projects for County Colleges.

GROSS DEBT COMPARED WITH TRUE VALUE

	Municipal Debt	Municipal Debt Including Apportioned Underlying Debt
Net Debt as of December 31, 2017	<u>\$67,949,024</u>	<u>\$119,235,184</u>
Aggregate Fair Value for 2017 - All Taxable Property - Assessed Valuation	\$4,034,353,600	
Amount Added for Equalization: Real Property Assessed at 7.20% of True Value	<u>344,283,571</u>	
Total - With Real Property at True Value - 2017	<u>\$4,378,637,171</u>	
Net Debt as a Percentage of True Value	<u>1.552%</u>	<u>2.723%</u>

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

ASSESSED VALUATION AND TAX RATES

<u>Year</u>	<u>Real Property</u>	<u>Net Taxable Value Real and *Personal Property</u>	<u>Tax Rate per \$100.00</u>	<u>Real Property Assessed Valuation Percentage of True Value</u>
2013	\$4,119,706,300	\$4,126,612,400	\$3.568	\$96.14
2014	4,073,223,600	4,080,296,056	3.755	95.74
2015	4,038,151,700	4,040,740,100	3.825	95.18
2016	4,024,553,100	4,031,542,200	3.860	95.31
2017	4,027,347,600	4,034,353,600	3.904	92.80

*Consists of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger Systems Companies (Chapter 38, P.L. 1966).

COMPARISON OF COMPONENTS OF TAX RATE

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>\$3.904</u>	<u>\$3.860</u>	<u>\$3.825</u>	<u>\$3.755</u>	<u>\$3.568</u>
Apportionment of Tax Rate					
Municipal	\$1.459	\$1.453	\$1.447	\$1.428	\$1.379
Municipal Open Space	.005	.005	.005	.016	.005
County	.561	.550	.551	.533	.516
Local School	1.843	1.817	1.787	1.743	1.633
Library	<u>.036</u>	<u>.035</u>	<u>.035</u>	<u>.035</u>	<u>.035</u>
	<u>\$3.904</u>	<u>\$3.860</u>	<u>\$3.825</u>	<u>\$3.755</u>	<u>\$3.568</u>

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

TAX COLLECTION EXPERIENCE

<u>Year</u>	<u>Tax Levy</u>	<u>Collections During</u> <u>Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>
2013	\$147,666,479	\$144,570,371	97.96%
2014	153,735,945	151,113,219	98.29
2015	155,814,160	152,762,792	98.04
2016	156,355,918	153,699,958	98.30
2017(1)	158,891,524	155,066,366	97.59

(1) Unaudited

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>2018 Assessed Value</u>
Forest Hill Properties	\$48,934,700
BR/Prism Central Park	46,615,200
Bloomfield Condo Association	25,857,900
1515 Broad Street	23,606,200
Troy Towers	23,500,000
MCB Bloomfield, LLC	14,500,000
Newels Development	13,197,400
Bloomfield Plaza Associates	11,500,000
DCH Investments, LLC	11,461,800
ShopRite	11,094,800

Source: The Township

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

REAL PROPERTY CLASSIFICATION
2014 - 2018 (ASSESSED VALUATION)

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Apartments</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>
2014	\$38,379,000.00	\$3,180,262,900.00	\$235,321,400.00	\$569,557,900.00	\$49,702,400.00	\$4,073,223,600.00	\$7,072,456.00	\$4,080,296,056.00
2015	33,770,800.00	3,160,383,800.00	230,141,000.00	567,423,900.00	46,432,200.00	4,038,151,700.00	6,739,700.00	4,044,891,400.00
2016	29,082,300.00	3,154,490,600.00	246,027,000.00	562,864,500.00	32,088,700.00	4,024,553,100.00	6,989,100.00	4,031,542,200.00
2017	29,873,700.00	3,154,151,500.00	256,440,400.00	554,889,900.00	31,992,100.00	4,027,347,600.00	7,006,000.00	4,034,353,600.00
2018	29,619,400.00	3,161,386,500.00	253,581,700.00	552,723,700.00	31,992,100.00	4,029,303,400.00	7,347,500.00	4,036,650,900.00

Source: The Township

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

POPULATION

<u>Year</u>		<u>Population</u>
2010	Federal Census	47,315
2007	Federal Census	46,288
2000	Federal Census	47,683
1990	Federal Census	45,061
1980	Federal Census	47,792

Source: U.S. Bureau of the Census

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

BUILDING PERMITS

<u>Year</u>	<u>*Total Number</u>	<u>Construction Value</u>
2013	1,993	\$39,898,069.00
2014	2,063	56,989,355.00
2015	2,023	63,167,543.00
2016	2,139	39,882,056.00
2017	2,262	26,393,759.00

*Includes new building, alterations and additions.

Source: The Township

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF BLOOMFIELD

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APPENDIX B

EXCERPTS FROM
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

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Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Township Council
Township of Bloomfield
County of Essex, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Bloomfield in the County of Essex, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Development Grant Fund Section 8 Voucher Program as of December 31, 2016 and 2015 which represents 1.73 percent and 9.23 percent, respectively, of the assets of the Trust Fund for the years then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community Development Grant Fund Section 8 Voucher Program, is based solely upon the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 opinion

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Bloomfield on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Bloomfield as of December 31, 2016 and 2015, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2016 and 2015, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bloomfield's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates 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 information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2017 on our consideration of the Township of Bloomfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

The Honorable Mayor and
Members of the Township Council
Page 4.

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Bloomfield's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

September 13, 2017

TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Current Fund:			
Cash - Treasurer	A-4	\$ 25,478,705	6,927,564
Cash - Collector	A-5	747,967	17,109,861
Change Fund	A-6	<u>900</u>	<u>900</u>
		<u>26,227,572</u>	<u>24,038,325</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	3,404,368	3,586,527
Tax Title Liens	A-9	192,895	168,508
Property Acquired for Taxes - Assessed Valuation	A-10	168,200	168,200
Revenue Accounts Receivable	A-11	135,521	1,079,421
Interfunds Receivable	A-12	924,326	886,292
Prepaid School Tax	A-17	<u>7</u>	<u></u>
		<u>4,825,317</u>	<u>5,888,948</u>
Federal and State Grant Fund:			
Grants Receivable	A-23	3,579,233	2,953,425
Interfund Accounts Receivable	A-22	<u>6,029</u>	<u>23,599</u>
		<u>3,585,262</u>	<u>2,977,024</u>
		<u>\$ 34,638,151</u>	<u>32,904,297</u>

TOWNSHIP OF BLOOMFIELD, N.J.
Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	\$ 5,854,058	6,392,200
Encumbrances Payable	A-3/A-14	1,300,890	783,810
Interfunds Payable	A-12	4,255,480	3,093,536
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	58,914	56,868
Accounts Payable	A-15	1,101,034	669,972
County Taxes Payable	A-16	42,342	89,079
Tax Overpayments	A-18	816,212	582,350
Tax Appeals Pending	A-20	1,059,754	1,041,841
Prepaid Taxes	A-21	966,280	898,288
		<u>15,454,964</u>	<u>13,607,944</u>
Reserve for Receivables	Contra	4,825,317	5,888,948
Fund Balance	A-1	<u>10,772,608</u>	<u>10,430,381</u>
		<u>31,052,889</u>	<u>29,927,273</u>
Federal and State Grant Fund:			
Interfunds Payable	A-22	445,141	
Appropriated Reserves for Grants	A-24	3,103,423	2,771,162
Unappropriated Reserves for Grants	A-25	<u>36,698</u>	<u>205,862</u>
		<u>3,585,262</u>	<u>2,977,024</u>
		<u>\$ 34,638,151</u>	<u>32,904,297</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD, N.J.

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

Current Fund

Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 5,000,000	3,500,000
Miscellaneous Revenue Anticipated	14,136,669	13,636,596
Receipts from Delinquent Taxes	2,561,927	2,249,396
Receipts from Current Taxes	153,699,958	152,762,792
Non-Budget Revenue	1,435,255	774,593
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	967,456	1,594,622
Interfunds Returned	169,071	
Statutory Excess		2,956
Accounts Payable Cancelled	12,018	
Tax Overpayments Cancelled		115,204
Total Revenues and Other Income	<u>177,982,354</u>	<u>174,636,159</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	32,049,731	31,398,174
Other Expenses	33,040,823	31,454,346
Capital Improvement Fund	250,000	200,000
Municipal Debt Service	3,109,982	2,934,471
Deferred Charges and Statutory Expenditures -		
Municipal	7,321,706	7,226,467
Local District School Tax	73,242,040	72,307,608
County Taxes including Added Taxes	22,184,639	22,369,605
Local Open Space Taxes	201,962	203,183
Special Improvement District Taxes	365,053	372,989
Prior Year Exemptions Disallowed		9,576
Interfunds Advanced	163,641	147,845
Escrow Reserve Correction	147,656	
Reserve for Tax Title Lien Premiums - Correction	155,548	
Reserve for Pending Tax Appeals	400,000	900,000
Prepaid School Tax	7	
Revenue Refunds	7,339	
Total Expenditures	<u>172,640,127</u>	<u>169,524,264</u>
Excess (Deficit) Revenue Over Expenditures	<u>5,342,227</u>	<u>5,111,895</u>
Statutory Excess to Surplus	5,342,227	5,111,895
Fund Balance, January 1,	<u>10,430,381</u>	<u>8,818,486</u>
	15,772,608	13,930,381
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>5,000,000</u>	<u>3,500,000</u>
Fund Balance, December 31,	<u>\$ 10,772,608</u>	<u>10,430,381</u>

See accompanying notes to the financial statements

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 5,000,000	5,000,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	90,000	94,058	4,058
Other	60,000	70,939	10,939
Fees and Permits	250,000	369,677	119,677
Fines and Costs:			
Municipal Court	900,000	1,898,188	998,188
Interest and Costs on Taxes	550,000	533,445	(16,555)
Interest on Investments and Deposits	20,000	195,457	175,457
Consolidated Municipal Property Tax Relief	1,438,864	1,438,864	
Energy Receipts Tax	4,936,268	4,936,268	
Uniform Construction Code Fees	800,000	934,350	134,350
Interlocal Service Agreements:			
Board of Health Services:			
Borough of Caldwell	54,498	54,231	(267)
Township of West Milford	42,653	63,979	21,326
Borough of Glen Ridge	27,082	18,752	(8,330)
Bloomfield Board of Education	19,620	19,620	
Borough of Mountain Lakes	24,390	7,682	(16,708)
Borough of Lincoln Park	14,352	14,352	
Borough of Madison	26,829	26,829	
Animal Control Services:			
Borough of Caldwell	14,140	14,140	
Borough of Glen Ridge	14,968	14,968	
Bloomfield Board of Education - Code Red			
Cervical Cancer Screening Program	16,814	16,814	
Environmental Protection Program	26,170	26,170	
Heritage Village - Case Manager Service	15,000	1,250	(13,750)
Public and Private Revenues offset by Appropriations:			
COPS in School	165,000	165,000	
Essex County Division on Aging - Title III Visiting Nurse	22,594	22,594	
Bloomfield Center Alliance Downtown Business Imp. Zone	200,000	200,000	
Drunk Driving Enforcement Fund	14,717	14,717	
Clean Communities	93,412	93,412	
Municipal Alliance on Alcoholism and Drug Abuse	32,000	32,000	
Safe and Secure Communities Program	60,000	60,000	
FEMA - Assistance to Firefighters	362,728	362,728	
Community Stewardship Incentive Program	30,000	30,000	
Drive Sober or Get Pulled Over	10,000	10,000	
Body Armor Replacement Program	10,124	10,124	
Recycling Tonnage Grant	26,592	26,592	
Alcohol Education and Rehabilitation	5,068	5,068	
Pedestrian Safety Education and Enforcement	16,000	16,000	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Bulletproof Vest Partnership Program	24,393	24,393	
DEP - Recreation Trails Program Grant - Morris Canal	24,000	24,000	
Click it or Ticket	5,000	5,000	
Social Services for the Homeless (SSH)	104,560	104,560	
NJDOT Municipal Aid - JFK Drive North/South	276,754	276,754	
Green Streets Program	20,000	20,000	
Edward Byrne Memorial Justice Assistance Grant	12,466	12,466	
Partners for Health - Move Well, Eat Well, Be Well Bloomfield	20,000	20,000	
Body Worn Camera Assistance Program	10,000	10,000	
Local Arts Program Grant	1,920	1,920	
Uniform Fire Safety Act	35,000	36,567	1,567
Cable Television Franchise Fee	646,926	646,926	
Sewer User Fees - Passaic Valley Sewerage Commission	45,000	50,139	5,139
Payment in Lieu of Taxes:			
Felicity Towers	140,704	143,758	3,054
Kinder Towers	72,168	72,168	
Wireless Telecommunications Monopole Rents - Omnipoint	15,000		(15,000)
General Capital Fund Balance	827,750	827,750	
Section 8 Housing Program - Reimbursement for Prior Years Office Space Rental	62,000	62,000	
Total Miscellaneous Revenues	12,733,524	14,136,669	1,403,145
Receipts from Delinquent Taxes	2,200,000	2,561,927	361,927
Subtotal General Revenues	19,933,524	21,698,596	1,765,072
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	60,013,719	61,481,264	1,467,545
Budget Totals	79,947,243	83,179,860	3,232,617
Non-Budget Revenue		1,435,255	1,435,255
	<u>\$ 79,947,243</u>	<u>84,615,115</u>	<u>4,667,872</u>
Adopted Budget	79,048,229		
Added by: N.J.S.A. 40A:4.87	899,014		
	<u>\$ 79,947,243</u>		

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2016

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 153,699,958
Less: Reserve for Tax Appeals Pending	400,000
Allocated to Municipal Open Space	201,962
Allocated to Special Improvement District	365,053
Allocated to County and Local and Regional School Taxes	<u>95,426,679</u>
Balance for Support of Municipal Budget Appropriations	57,306,264
Add : Appropriation - Reserve for Uncollected Taxes	<u>4,175,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 61,481,264</u>
Receipts from Delinquent Taxes: Delinquent Taxes	<u>\$ 2,561,927</u>

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2016

Analysis of Non-budget Revenues

Signs and Bus-Stop Advertising	\$ 9,768
Board of Health - Copies and Miscellaneous	62
CCTM PA LLC Tower Lease	30,167
New Jersey Turnpike Authority - Parkway Calls	4,120
Essex County Homicide Task Force	440
Essex County Recovery Bureau	22,281
FEMA Reimbursement	146,623
Miscellaneous	2,927
Garden State Joint Insurance Fund	32,907
Human Services	355
Insurance Recoveries	12,680
Labor Lien	5,584
Municipal Court - Prior Year Adjustments	1,829
Miscellaneous Refunds	129,761
PNC Merchant Deposits	7,195
Parking Authority	72,000
Payments in Lieu of Taxes	68,525
Police Outside Duty Administrative Fees	113,986
Prior Year Voided Checks	208,274
Restitution	2,597
WMC Settlements	2,343
Sale of Municipal Assets	10,707
Scrap Metal Sales	1,405
Claims Account - Prior Year Voided Checks	473,881
Motor Vehicle Inspection Fines	21,658
Tax Sale Premiums	43,800
Township Clerk - Copies and Miscellaneous	1,153
Tax Collector - Cost of Advertising and Tax Sale	8,227
	<hr/>
	\$ 1,435,255
	<hr/>
Collected by:	
Tax Collector	85,025
Treasurer	1,350,230
	<hr/>
	\$ 1,435,255
	<hr/>

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 175,740	175,740	167,562	8,178	
Other Expenses	120,900	120,900	51,470	69,430	
Mayor and Council:					
Salaries and Wages	40,500	40,500	40,500		
Other Expenses	14,775	14,775	2,087	12,688	
Municipal Clerk:					
Salaries and Wages	198,900	207,900	197,171	10,729	
Other Expenses	82,900	82,900	61,342	21,558	
Department of Assessment					
Salaries and Wages	175,500	180,500	174,233	6,267	
Other Expenses	107,500	107,500	68,110	39,390	
Division of Revenue:					
Salaries and Wages	92,995	92,995	91,133	1,862	
Other Expenses	14,350	14,350	6,093	8,257	
Annual Audit	70,000	70,000	15,000	55,000	
Department of Law:					
Salaries and Wages	255,975	255,975	247,763	8,212	
Other Expenses	850,000	850,000	771,151	78,849	
Division of Accounts and Controls:					
Salaries and Wages	225,512	225,512	192,241	33,271	
Other Expenses	185,325	185,325	74,208	111,117	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Department of Information Systems:					
Salaries and Wages	107,770	112,770	107,360	5,410	
Other Expenses	368,135	368,135	336,406	31,729	
Historic District:					
Salaries and Wages	10,000	10,000		10,000	
Other Expenses	35,000	35,000	10,735	24,265	
Rent Leveling					
Salaries and Wages	40,000	40,000		40,000	
Other Expenses	60,000	60,000		60,000	
Postage and Office Supplies:					
Other Expenses	255,500	255,500	240,500	15,000	
Cable Television Committee:					
Other Expenses	125,000	125,000	112,122	12,878	
Division of Engineering:					
Salaries and Wages	239,950	239,950	210,672	29,278	
Other Expenses	26,400	26,400	14,701	11,699	
Department of Planning:					
Salaries and Wages	73,105	73,105	70,896	2,209	
Other Expenses	33,000	33,000	29,311	3,689	
Housing Inspections:					
Salaries and Wages	380,000	380,000	358,003	21,997	
Other Expenses	32,500	32,500	5,471	27,029	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Insurance:					
General Liability	50,000	50,000	50,000		
Workers Compensation	550,000	550,000	69,108	480,892	
Group Insurance for Employees	14,570,060	14,570,060	13,443,886	1,126,174	
Health Benefit Waiver	200,000	200,000	200,000		
Bonds and Other Insurance Premiums	716,400	716,400	686,383	30,017	
Public Safety:					
Police Department:					
Salaries and Wages	14,030,000	14,430,000	13,977,075	452,925	
Other Expenses	540,250	593,250	543,634	49,616	
Communication Center:					
Salaries and Wages	725,000	725,000	694,488	30,512	
Other Expenses	44,500	44,500	43,531	969	
Emergency Management:					
Other Expenses	19,100	19,100	17,735	1,365	
Fire Department:					
Salaries and Wages	9,400,000	9,000,000	8,344,379	655,621	
Other Expenses	128,250	168,250	118,804	49,446	
Community Ambulance:					
Other Expenses	45,000	45,000	45,000		
Municipal Court					
Administration of Court:					
Salaries and Wages	581,500	581,500	561,703	19,797	
Other Expenses	51,050	51,050	42,791	8,259	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Defender:					
Salaries and Wages					
Other Expenses	80,000	80,000	63,150	16,850	
Public Works:					
Division of Electrical Services:					
Salaries and Wages	174,000	184,000	167,250	16,750	
Other Expenses	3,700	8,700	3,359	5,341	
Public Buildings and Grounds:					
Salaries and Wages	70,050	78,050	67,622	10,428	
Other Expenses	125,000	125,000	124,927	73	
Service Buildings:					
Salaries and Wages	314,500	314,500	292,418	22,082	
Other Expenses	532,200	532,200	469,351	62,849	
Road Repairs and Maintenance:					
Salaries and Wages	408,500	408,500	214,670	193,830	
Other Expenses	214,500	214,500	165,353	49,147	
Sewer Maintenance:					
Salaries and Wages	163,000	163,000	137,463	25,537	
Other Expenses	17,000	17,000	11,193	5,807	
Care of Shade Trees and Greens:					
Salaries and Wages	401,000	431,000	399,486	31,514	
Other Expenses	44,500	44,500	33,633	10,867	
Snow Removal:					
Salaries and Wages	100,000	150,000	118,518	31,482	
Other Expenses	20,000	20,000		20,000	
Parks and Playgrounds:					
Salaries and Wages	630,500	630,500	589,905	40,595	
Other Expenses	15,000	15,000	8,063	6,937	
Health and Welfare:					
Division of Health:					
Salaries and Wages	1,287,800	1,287,800	1,087,739	200,061	
Other Expenses	93,056	93,056	65,334	27,722	
Division of Human Services:					
Salaries and Wages	337,900	337,900	278,563	59,337	
Other Expenses	28,890	28,890	19,217	9,673	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Animal Control:					
Other Expenses	150,000	150,000		150,000	
Division of Health - Cancer Screening Program					
Salaries and Wages	16,814	16,814	16,814		
Environmental Protection Programs:					
Salaries and Wages	26,170	26,170	26,170		
Heritage Village - Case Manager Service					
Salaries and Wages	15,000	15,000		15,000	
Recreation and Education					
Department of Recreation:					
Salaries and Wages	445,000	445,000	402,521	42,479	
Other Expenses	84,350	84,350	83,583	767	
Celebration of Public Events:					
Salaries and Wages	20,000	20,000	19,964	36	
Other Expenses	30,000	30,000	29,994	6	
Senior Citizens' Transportation:					
Salaries and Wages	154,000	154,000	151,176	2,824	
Unclassified					
Gasoline	395,000	395,000	229,701	165,299	
Fuel Oil	10,000	10,000	3,321	6,679	
Electricity	490,000	490,000	345,263	144,737	
Telephone	145,000	145,000	138,046	6,954	
Street Lighting	565,000	585,000	516,577	68,423	
Recycling Act and Sanitary Landfill Closure Fund					
Garbage and Trash Removal	425,000	425,000	425,000		
Telecommunications	3,205,000	3,105,000	2,785,344	319,656	
Uniform Construction Code:	70,000	85,000	80,571	4,429	
Construction Code Official:					
Salaries and Wages	431,000	380,890	331,116	49,774	
Other Expenses	332,675	232,675	110,414	122,261	
Total Operations within "CAPS"	58,119,447	58,119,337	52,507,547	5,611,790	
B. Contingent					

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Operations Including Contingent-within "CAPS"	58,119,447	58,119,337	52,507,547	5,611,790	
Detail:					
Salaries & Wages	31,747,681	31,814,571	29,736,574	2,077,997	
Other Expenses (Including Contingent)	26,371,766	26,304,766	22,770,973	3,533,793	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	1,084,990	1,084,990	1,084,990		
Social Security System (O.A.S.I.)	1,075,000	1,075,000	1,039,920	35,080	
Consolidated Police and Firemen's Pension Fund	41,810	41,810	41,809	1	
Police and Firemen's Retirement System of NJ	5,043,906	5,043,906	5,043,906		
Unemployment Compensation Insurance	76,000	76,000		76,000	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	7,321,706	7,321,706	7,210,625	111,081	
Total General Appropriations for Municipal Purposes within "CAPS"	65,441,153	65,441,043	59,718,172	5,722,871	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	1,415,437	1,415,437	1,415,437		
Operation and Maintenance of Outlet Sewers:					
Third River Joint Meeting	875	875	863	12	
Passaic Valley Sewerage Commission	3,405,904	3,405,904	3,405,903	1	
Township of Nutley	65,500	65,500	65,464	36	
Second River Joint Meetings	48,631	48,741	48,740	1	
School Board Elections					
Salaries and Wages	2,200	2,200		2,200	
Other Expenses	800	800	114	686	
Bloomfield Center Urban Renewal and AvalonBay Project					
Tax Appeals Pending	5,000	5,000		5,000	
Group Insurance for Employees	239,940	239,940	239,940		
Total Other Operations - Excluded from "CAPS"	5,184,287	5,184,397	5,176,461	7,936	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Shared Service Agreements					
Board of Health:					
Health Services - Bloomfield Board of Education Nursing					
Salaries and Wages	16,020	16,020	16,020		
Other Expenses	3,600	3,600	2,259	1,341	
Health Services - Caldwell:					
Salaries and Wages	43,998	43,998	43,998		
Other Expenses	10,500	10,500	3,619	6,881	
Health Services - West Milford					
Salaries and Wages	42,653	42,653		42,653	
Health Services - Glen Ridge					
Other Expenses	27,082	27,082		27,082	
Health Services - Mountain Lakes					
Other Expenses	24,390	24,390	8,204		
Health Services - Madison					
Salaries and Wages	26,829	26,829	26,829		
Health Services - Lincoln Park					
Salaries and Wages	14,352	14,352	14,352		

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund				
Year Ended December 31, 2016				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Unexpended Balance Canceled</u>
Animal Control - Contractual	14,140	14,140		
Township of the Borough of Caldwell	14,968	14,968		14,140
Borough of Glen Ridge				14,968
Total Interlocal Municipal Service Agreements	<u>238,532</u>	<u>238,532</u>	<u>115,281</u>	<u>123,251</u>
Public and Private Programs Offset by Revenues				
Clean Communities	93,412	93,412	93,412	
Drunk Driving Enforcement Fund (DWI)	14,717	14,717	14,717	
Essex County Division on Aging Title 3 - Visiting Nurses	22,594	22,594	22,594	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share	32,000	32,000	32,000	
Local Match				
FEMA - Assistance to Firefighters	362,728	362,728	362,728	
Bulletproof Vest Partnership	24,393	24,393	24,393	
Pedestrian Safety Education and Enforcement	16,000	16,000	16,000	
Drive Sober or Get Pulled Over	10,000	10,000	10,000	
Police Body Armor Replacement (State)	10,124	10,124	10,124	
COPS in School	165,000	165,000	165,000	
Safe and Secure Neighborhoods - Police Salaries and Wages	60,000	60,000	60,000	
Alcohol Education - Unappropriated	5,068	5,068	5,068	
Social Services for the Homeless (SSH)	104,560	104,560	104,560	
Recycling Tonnage Aid - Unappropriated	26,592	26,592	26,592	
DEP - Recreation Trails Program - Morris Canal	24,000	24,000	24,000	
Click it or Ticket	5,000	5,000	5,000	
NJDOT Municipal Aid JFK Drive North and South	276,754	276,754	276,754	
Edward Byrne Memorial Justice Assistance Grant	12,466	12,466	12,466	
Partners for Health Foundation - Move Well, Eat Well, Be Well	20,000	20,000	20,000	
Body Worn Camera Assistance Program	10,000	10,000	10,000	
Local Arts Program Grant	1,920	1,920	1,920	
Local Match	960	960	960	
Bloomfield Center Alliance Downtown Business Improvement	200,000	200,000	200,000	
Community Stewardship Incentive Program	30,000	30,000	30,000	
Bloomfield Green Streets Program	20,000	20,000	20,000	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Public and Private Programs Offset by Revenues	1,548,288	1,548,288	1,548,288		
Total Operations-Excluded from "CAPS"	6,971,107	6,971,217	6,840,030	131,187	
Detail:					
Salaries and Wages	235,160	235,160	161,199	73,961	
Other Expenses	6,735,947	6,736,057	6,678,831	57,226	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	250,000	250,000	250,000		
Total Capital Improvements Excluded from "CAPS"	250,000	250,000	250,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	1,675,000	1,675,000	1,675,000		
Payment of Bond Anticipation Notes and Capital Notes	260,039	260,039	260,039		
Interest on Bonds	935,069	935,069	935,069		
Interest on Notes	197,719	197,719	197,719		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	42,156	42,156	42,155		1
Total Municipal Debt Service-Excluded from "CAPS"	3,109,983	3,109,983	3,109,982		1

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>10,331,090</u>	<u>10,331,200</u>	<u>10,200,012</u>	<u>131,187</u>	<u>1</u>
Subtotal General Appropriations	<u>75,772,243</u>	<u>75,772,243</u>	<u>69,918,184</u>	<u>5,854,058</u>	<u>1</u>
Reserve for Uncollected Taxes	<u>4,175,000</u>	<u>4,175,000</u>	<u>4,175,000</u>		
Total General Appropriations	<u>\$ 79,947,243</u>	<u>79,947,243</u>	<u>74,093,184</u>	<u>5,854,058</u>	<u>1</u>
Adopted Budget \$		78,977,292			
Added by 40A:4-87 - Grants		899,014			
Added by 40A:4-87 - General Budget		<u>70,937</u>			
	<u>\$ 79,947,243</u>	<u>79,947,243</u>			
Reserve for Uncollected Taxes \$			4,175,000		
Federal and State Grants			1,548,288		
Interfunds			510,039		
Encumbrances			1,300,890		
Cash			<u>66,558,967</u>		
			<u>\$ 74,093,184</u>		

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash - Treasurer	B-1	\$ 152,175	118,542
Cash - Collector	B-2	185	475
Due from State of New Jersey	B-3		881
Interfunds Receivable	B-4		13,261
		<u>152,360</u>	<u>133,159</u>
Other Trust Funds:			
Cash - Treasurer	B-1	8,994,249	7,271,888
Cash - Collector	B-2	(220,184)	6,535
Interfund Accounts Receivable	B-4	4,255,480	3,359,820
Intrafund Accounts Receivable	B-4	269,151	
Grants Receivable	B-5	1,647,021	1,776,967
Elevator Inspection Fees Receivable	B-7		10,032
		<u>14,945,717</u>	<u>12,425,242</u>
		<u>\$ 15,098,077</u>	<u>12,558,401</u>

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-3	\$ 184	
Interfund Payable - Current Fund	B-4	43,631	
Reserve for Animal Trust Fund Expenditures	B-6	<u>108,545</u>	<u>133,159</u>
		<u>152,360</u>	<u>133,159</u>
Other Trust Fund:			
Due to State of New Jersey	B-3	17,619	26,034
Interfund Accounts Payable	B-4	966,583	1,100,489
Intrafund Accounts Payable	B-4	269,151	
Elevator Inspection Fees Payable	B-7	5,523	
Payroll Deductions Payable	B-8	2,061,167	388,715
Reserve for Expenditures	B-9	9,676,543	8,789,048
Reserve for Grant Expenditures	B-10	<u>1,949,131</u>	<u>2,120,956</u>
		<u>14,945,717</u>	<u>12,425,242</u>
		<u>\$ 15,098,077</u>	<u>12,558,401</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 2,563,272	198,641
Deferred Charges to Future Taxation:			
Funded	C-4	24,879,359	26,589,958
Unfunded	C-5	53,381,512	36,816,101
Interfunds Receivable	C-6	<u>525,000</u>	<u>398,781</u>
		\$ <u><u>81,349,143</u></u>	<u><u>64,003,481</u></u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-6	\$	1,651,599
General Serial Bonds	C-7	24,385,000	26,060,000
NJ Green Trust Loans Payable	C-8	494,359	529,958
Bond Anticipation Notes Payable	C-9	34,358,006	25,836,565
Improvement Authorizations:			
Funded	C-10	528,509	16,009
Unfunded	C-10	20,796,251	8,564,353
Capital Improvement Fund	C-11	41,069	151,619
Fund Balance	C-1	<u>745,949</u>	<u>1,193,378</u>
		\$ <u><u>81,349,143</u></u>	<u><u>64,003,481</u></u>

There were \$19,023,506 and \$10,979,536 of Bonds and Notes Authorized But Not Issued on December 31, 2016 and 2015 respectively (Exhibit C-12).

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Balance - December 31, 2015	\$ <u>1,193,378</u>	<u>63,327</u>
Increased By:		
Cancelled Improvement Authorizations		949,411
Net Closing Proceeds - Refunding Issuance		14,103
Premium on Bond Anticipation Note -		
Due from Municipal Open Space Trust Fund		92,767
Premium on Bond Anticipation Note Sale	<u>380,321</u>	<u>137,097</u>
	380,321	1,193,378
	1,573,699	1,256,705
Decreased By:		
Due to Current Fund - Budget Revenue	<u>827,750</u>	<u>63,327</u>
Balance - December 31, 2016	\$ <u><u>745,949</u></u>	<u><u>1,193,378</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Water Utility Operating Fund:			
Cash	D-5	\$ 4,117,080	3,373,282
Change Fund	D-7	200	200
Interfunds Receivable	D-8		2,931
		<u>4,117,280</u>	<u>3,376,413</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	<u>1,256,627</u>	<u>1,303,639</u>
Total Water Utility Operating Fund		<u>5,373,907</u>	<u>4,680,052</u>
Capital Fund:			
Cash	D-5,D-6	3,079,981	2,299,122
Fixed Capital	D-10	18,423,788	18,423,788
Fixed Capital Authorized and Uncompleted	D-11	8,257,000	8,257,000
Interfund Receivable	D-12		1,247,353
Total Capital Fund		<u>29,760,769</u>	<u>30,227,263</u>
		<u>\$ 35,134,676</u>	<u>34,907,315</u>

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-13	\$ 875,130	689,626
Reserve for Encumbrances	D-4,D-13	120,186	96,589
Interfund Accounts Payable	D-8		86,413
Overpayments	D-14	70,506	58,459
Accounts Payable	D-15	105,000	55,000
Accrued Interest on Bonds	D-16	2,097	8,897
Accrued Interest on Notes	D-17	35,629	27,054
		<u>1,208,548</u>	<u>1,022,038</u>
Reserve for Receivables		1,256,627	1,303,639
Fund Balance	D-2	<u>2,908,732</u>	<u>2,354,375</u>
Total Water Utility Operating Fund		<u>5,373,907</u>	<u>4,680,052</u>
Capital Fund:			
Serial Bonds Payable	D-18	1,170,000	1,420,000
Bond Anticipation Notes Payable	D-19	5,441,977	5,480,991
Improvement authorization:			
Funded	D-20	181,509	204,696
Unfunded	D-20	3,519,473	4,030,607
Capital Improvement Fund	D-21	250	250
Reserve for Amortization	D-22	19,078,066	18,789,052
Deferred Reserve for Amortization	D-23	271,440	271,440
Fund Balance	D-1	<u>98,054</u>	<u>30,227</u>
Total Capital Fund		<u>29,760,769</u>	<u>30,227,263</u>
		<u>\$ 35,134,676</u>	<u>34,907,315</u>

There were \$719,305 and \$719,305 of Bonds and Notes Authorized But Not Issued on December 31, 2016 and 2015 respectively (Exhibit D-24).

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Water Utility Capital Fund

For the Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Balance, December 31	\$ <u>30,227</u>	<u> </u>
Increased By:		
Note Sale Premium - Due from Capital	27,137	
Note Sale Premium	<u>40,690</u>	<u>30,227</u>
	<u>67,827</u>	<u>30,227</u>
Balance, December 31	\$ <u><u>98,054</u></u>	<u><u>30,227</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

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

Water Utility Operating Fund

For the Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and other income:		
Water/Sewer rents	\$ 8,010,861	7,918,568
Miscellaneous Revenue	172,853	144,496
Unexpended balance of appropriation reserves	320,643	654,940
Liability canceled		8,309
	<hr/>	<hr/>
Total revenue and other income	8,504,357	8,726,313
	<hr/>	<hr/>
Expenditures:		
Operating	7,280,486	7,019,409
Debt Service	419,514	685,553
Deferred Charges and Statutory Expenditures	250,000	282,309
Deficit in Operations		883
	<hr/>	<hr/>
Total expenditures	7,950,000	7,988,154
	<hr/>	<hr/>
Excess(Deficit) in revenues	554,357	738,159
Statutory excess to Surplus	554,357	738,159
Fund balance, January 1	<hr/>	<hr/>
	2,354,375	1,616,216
Balance, December 31	<hr/>	<hr/>
	\$ 2,908,732	2,354,375
	<hr/>	<hr/>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2016

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Water/Sewer Rents	\$ 7,835,000	8,010,861	175,861
Miscellaneous	<u>115,000</u>	<u>172,853</u>	<u>57,853</u>
	<u>\$ 7,950,000</u>	<u>8,183,714</u>	<u>233,714</u>

Analysis of Realized Revenue

	Rents	<u>8,010,861</u>
	Interest on Investments	11,156
Due from Water Capital Fund -	Interest on Investments	20,177
	Interest on Water Bills	123,399
	Meter Sales	7,200
	Sprinklers/Pipelines	5,536
	Other Miscellaneous	<u>5,385</u>
	\$	<u>172,853</u>
	Cash Receipts	152,676
	Interfunds	<u>20,177</u>
See accompanying notes to financial statements.	\$	<u>172,853</u>

TOWNSHIP OF BLOOMFIELD

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2016

	Appropriations			
	<u>Budget</u>	Budget after modifi- cation	Paid or charged	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 2,735,000	2,635,000	2,099,268	535,732
Other Expenses	430,700	455,700	327,492	128,208
Purchase of Water	735,892	765,892	738,755	27,137
Bloomfield's Share of Costs - Wanaque North	1,023,332	1,023,332	1,023,332	
Bloomfield's Share of Costs - Wanaque South	1,345,562	1,345,562	1,345,562	
Group Insurance for Employees	950,000	980,000	950,000	30,000
Liability Insurance	25,000	25,000		25,000
Worker's Compensation Insurance	50,000	50,000		50,000
Total Operating	<u>7,295,486</u>	<u>7,280,486</u>	<u>6,484,409</u>	<u>796,077</u>
Debt Service:				
Payment of Bond Principal	250,000	250,000	250,000	
Payment of Bond Anticipation and Capital Notes	39,014	39,014	39,014	
Interest on Bonds	45,500	45,500	45,500	
Interest on Bond Anticipation Notes	85,000	85,000	85,000	
Total Debt Service	<u>419,514</u>	<u>419,514</u>	<u>419,514</u>	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	185,000	200,000	170,947	29,053
Unemployment Compensation Insurance	50,000	50,000		50,000
Total Deferred Charges and Statutory Expenditures	<u>235,000</u>	<u>250,000</u>	<u>170,947</u>	<u>79,053</u>
	<u>\$ 7,950,000</u>	<u>7,950,000</u>	<u>7,074,870</u>	<u>875,130</u>
			Cash Disbursed \$	6,785,170
			Reserve for Encumbrances	120,186
			Due to General Capital Fund	39,014
			Accrued Interest on Bonds	45,500
			Accrued Interest on Notes	85,000
				<u>\$ 7,074,870</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>General Fixed Assets:</u>		
Land & Buildings	\$ 30,321,211	30,321,211
Furniture and Fixtures	463,257	453,583
Vehicles	6,288,781	5,694,884
Machinery and Equipment	<u>4,734,191</u>	<u>4,371,724</u>
	<u>\$ 41,807,440</u>	<u>40,841,402</u>
 Investment in Fixed Assets	 <u>\$ 41,807,440</u>	 <u>40,841,402</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Bloomfield have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of Bloomfield (the "Township") operates under a Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating Fund – This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Bloomfield. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month of the current calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund and Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Water Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Water Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

During the years ended December 31, 2016 and 2015, the Governing Body approved additional revenues and appropriations of \$899,014 and \$539,960, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body in 2016 and 2015.

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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 additions to income. Appropriation reserves do not exist under GAAP.

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Township of Bloomfield has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 30, 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Township is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Township is currently reviewing what effects, if any, this Statement might have on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Township does not believe this Statement will have any effect on future financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Township does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2016 and 2015, \$-0- of the Township's bank balance of \$46,082,755 and \$38,735,662, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2016 consisted of the following:

	Balance Dec. 31, 2015	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
General Capital	\$26,060,000	\$	\$1,675,000	\$24,385,000	\$1,730,000
Water Capital	<u>1,420,000</u>		<u>250,000</u>	<u>1,170,000</u>	<u>275,000</u>
Total Bonds Payable	<u>27,480,000</u>	<u>0</u>	<u>1,925,000</u>	<u>25,555,000</u>	<u>2,005,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	1,497,097		159,679	1,337,418	173,997
Green Acres Preservation Loans	529,958		35,599	494,359	36,089
Compensated Absences	<u>2,250,985</u>	<u>1,790,433</u>	<u>571,777</u>	<u>3,469,641</u>	
Total Other Liabilities	<u>4,278,040</u>	<u>1,790,433</u>	<u>767,055</u>	<u>5,301,418</u>	<u>210,086</u>
	<u>\$31,758,040</u>	<u>\$1,790,433</u>	<u>\$2,692,055</u>	<u>\$30,856,418</u>	<u>\$2,215,086</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$59,237,365	\$52,426,523	\$41,066,846
Water Utility - Bonds, Notes and Loans	<u>6,611,977</u>	<u>6,900,991</u>	<u>4,245,005</u>
	<u>65,849,342</u>	<u>59,327,514</u>	<u>45,311,851</u>
<u>Authorized But Not Issued</u>			
General - Bonds, Notes and Loans	19,023,506	10,979,536	28,756,203
Water Utility - Bonds, Notes and Loans	<u>719,305</u>	<u>719,305</u>	<u>1,671,614</u>
	<u>19,742,811</u>	<u>11,698,841</u>	<u>30,427,817</u>
 Net Debt	 <u>\$85,592,153</u>	 <u>\$71,026,355</u>	 <u>\$75,739,668</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.826% for 2016.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$24,645,000	\$24,645,000	\$
General Debt			
General	78,260,871		78,260,871
Guaranteed by Outside Agency	18,520,000	18,520,000	
Water Utility Debt	<u>7,331,282</u>	<u>7,331,282</u>	
	<u>\$128,757,153</u>	<u>\$50,496,282</u>	<u>\$78,260,871</u>

Net debt of \$78,260,871 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$4,285,291,469 equals 1.826%.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

	<u>2016</u>	<u>2015</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$149,985,201	\$149,591,006
Net Debt	<u>78,260,871</u>	<u>63,406,059</u>
Remaining Borrowing Power	<u><u>\$71,724,330</u></u>	<u><u>\$86,184,947</u></u>

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

	<u>2016</u>	<u>2015</u>
Cash receipts from fees, rents or other charges for year	\$8,183,714	\$8,063,064
Deductions:		
Operating and Maintenance Cost	7,530,486	7,249,409
Debt Service per Water Utility	<u>419,514</u>	<u>685,553</u>
Total Deductions	<u>7,950,000</u>	<u>7,934,962</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u><u>\$233,714</u></u>	<u><u>\$128,102</u></u>

Footnote: If there is an “excess in revenue”, all such utility debt is deductible.

The Township's long-term debt consisted of the following at December 31, 2016:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2016</u>	<u>2015</u>
\$14,474,000, 2007 Bonds, due in annual installments of \$450,000 to \$1,549,000 through June 2017, interest at 4.125% to 4.250%	\$1,250,000	\$2,450,000
\$4,955,000, 2012A General Improvement Bonds, due in annual installments of \$170,000 to \$330,000 through January 2034, interest at 3.00% to 3.625%	4,315,000	4,490,000
\$4,374,000, 2012B General Improvement Bonds, due in annual installments of \$120,000 to \$235,000 through January 2042, interest at 3.00% to 5.00%	3,895,000	4,015,000
\$5,663,000, 2013 General Improvement Bonds, due in annual installments of \$180,000 to \$350,000 through January 2038, interest at 2.00% to 4.00%	5,120,000	5,300,000
\$9,905,000, 2015 Refunding Bonds, due in annual installments of \$100,000 to \$1,500,000 through June 2024, interest at 2.00% to 4.00%	<u>9,805,000</u>	<u>9,805,000</u>
Total General Serial Bonds	<u><u>24,385,000</u></u>	<u><u>26,060,000</u></u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Water Utility Fund:

<u>Water Utility Serial Bonds:</u>	<u>2016</u>	<u>2015</u>
\$2,772,000, 2007 Bonds due in annual installments of \$250,000 to \$300,000 through June 2020, interest at 4.125%	\$275,000	\$525,000
\$900,000, 2015 Refunding Bonds, due in annual installments of \$5,000 to \$295,000 through June 2020, interest at 2.00% to 4.00%	<u>895,000</u>	<u>895,000</u>
Total Water Utility Bonds	<u>1,170,000</u>	<u>1,420,000</u>
Total Serial Bonds	<u><u>\$25,555,000</u></u>	<u><u>\$27,480,000</u></u>

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>General Capital</u>				
	<u>Serial Bonds</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$1,730,000	\$872,013	\$36,089	\$6,066	\$2,644,168
2018	1,760,000	808,081	36,589	5,566	2,610,236
2019	1,815,000	742,013	37,099	5,056	2,599,168
2020	1,870,000	672,538	37,621	4,535	2,584,694
2021	1,920,000	601,431	38,152	4,005	2,563,588
2022-2026	7,065,000	2,010,725	199,096	11,676	9,286,497
2027-2031	3,085,000	1,281,422	92,908	1,117	4,460,447
2032-2036	3,180,000	700,763	16,805		3,897,568
2037-2041	1,725,000	217,506			1,942,506
2042	<u>235,000</u>	<u>5,875</u>			<u>240,875</u>
	<u><u>\$24,385,000</u></u>	<u><u>\$7,912,367</u></u>	<u><u>\$494,359</u></u>	<u><u>\$38,021</u></u>	<u><u>\$32,829,747</u></u>

<u>Year</u>	<u>Water Capital</u>		
	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$275,000	\$41,472	\$316,472
2018	300,000	29,800	329,800
2019	300,000	17,800	317,800
2020	<u>295,000</u>	<u>5,900</u>	<u>300,900</u>
	<u><u>\$1,170,000</u></u>	<u><u>\$94,972</u></u>	<u><u>\$1,264,972</u></u>

General capital, water capital and assessment serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or water utilities revenues and special assessments.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE

The Township has five outstanding Garden State Green Acres Preservation Trust Fund loans with the State of New Jersey, Department of Environmental Trust as follows:

	<u>2016</u>	<u>2015</u>
Halcyon Park Redevelopment loan #0702-01-052 at a rate of 2% for a term of 20 years in the amount of \$105,000 with semi-annual loan repayments of \$3,265 made on January 13 and July 13 of each year through January 2027.	\$61,560	\$66,780
Halcyon Park Redevelopment loan #0702-01-052A at a rate of 2% for a term of 20 years in the amount of \$26,356 with semi-annual loan repayments of \$819 made on January 5 and July 5 of each year through July 2027.	16,111	17,408
Clark's Pond loan #0702-04-040 at a rate of 2% for a term of 20 years in the amount of \$250,000 with semi-annual loan repayments of \$7,772.90 made on January 16 th and July 16 th of each year through January 2027.	146,573	159,001
Bloomfield Skate Park loan #0702-05-023 at a rate of 2% for a term of 20 years in the amount of \$116,400 with semi-annual loan repayments of \$3,619 made on March 11 th and September 11 th of each year through March 2030.	85,264	90,715
Bloomfield Upper Memorial Park Loan #0702-05-024 at a rate of 0% for a term of 39 years in the amount of \$218,460 with semi-annual loan repayments of \$5,602 made on January 12 th and July 12 th of each year through January 2033.	<u>184,851</u>	<u>196,054</u>
	<u>\$494,359</u>	<u>\$529,958</u>

NOTE 5. BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount 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 and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

On December 31, 2016 and 2015, the Township had \$34,358,006 and \$25,836,565, respectively, in outstanding General Capital bond anticipation notes. The Township also had \$5,441,977 and \$5,480,991, respectively, of Water Utility Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the period ended December 31, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Oppenheimer and Co.	\$	\$4,872,000	\$	\$4,872,000
TD Securities LLC	4,936,000	6,850,000	4,936,000	6,850,000
JP Morgan		22,636,006		22,636,006
RBC Capital Markets, LLC	9,975,000		9,975,000	0
RBC Capital Markets, LLC	<u>10,925,565</u>		<u>10,925,565</u>	<u>0</u>
	<u>25,836,565</u>	<u>34,358,006</u>	<u>25,836,565</u>	<u>34,358,006</u>
 <u>Water and Sewer Utility Capital</u>				
JP Morgan		2,191,977		2,191,977
TD Securities LLC		3,250,000		3,250,000
RBC Capital Markets, LLC	2,230,991		2,230,991	0
Jefferies, LLC	<u>3,250,000</u>		<u>3,250,000</u>	<u>0</u>
	<u>5,480,991</u>	<u>5,441,977</u>	<u>5,480,991</u>	<u>5,441,977</u>
	<u>\$31,317,556</u>	<u>\$39,799,983</u>	<u>\$31,317,556</u>	<u>\$39,799,983</u>

There were bonds and notes authorized but not issued in the following amounts:

	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
<u>General Capital Fund:</u>			
General Improvements	<u>\$19,023,506</u>	<u>\$10,979,536</u>	<u>\$28,756,203</u>
 <u>Water Utility Capital Fund:</u>			
General Improvements	<u>\$719,305</u>	<u>\$719,305</u>	<u>\$1,671,614</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the 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.

Benefits Provided

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

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

Service retirement benefits of 1/55th 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 retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Plans, (continued)

Public Employees' Retirement System (PERS), (continued)

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 50 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.

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Plans, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements, (continued)

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2016	\$1,133,818	\$4,920,039	\$-0-
2015	1,041,030	4,719,327	-0-
2014	943,781	4,948,860	-0-

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At December 31, 2016, the Township had a liability of \$37,799,389 for its proportionate share of the PERS net pension liability. 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 governmental entities, actuarially determined. At June 30, 2016, the Township's proportion was .1276267705 percent, which was an increase of .0065390086 percent from its proportion measured as of June 30, 2015.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2016, the Township recognized pension expense of \$1,133,818. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$702,954	\$
Changes of assumptions	7,830,014	
Net difference between projected and actual earnings on pension plan investments	1,441,325	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,219,894</u>	
Total	<u>\$11,194,187</u>	<u>\$</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$2,245,622
2018	2,245,622
2019	2,601,628
2020	2,185,748
2021	695,674

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
Township s Proportion	.1276267705%	.1210877619%

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

The actuarial assumptions used in the June 30, 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.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 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 plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 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 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

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 Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.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 U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This 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% and 3.80% as of June 30, 2016 and 2015, respectively, 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 State contributed 30% of the actuarially determined contributions and 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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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, respectively, 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 higher than the current rate:

	<u>June 30, 2016</u>		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Township's proportionate share of the pension liability	\$46,318,739	\$37,799,389	\$30,765,927

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2016, the Township had a liability of \$115,271,251 for its proportionate share of the PFRS net pension liability. 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 governmental entities, actuarially determined. At June 30, 2016, the Township's proportion was .0603433588600 percent, which was an increase of 0.580589542900 percent from its proportion measured as of June 30, 2015.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2016, the Township recognized pension expense of \$4,920,039. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$
Changes of assumptions	15,966,016	
Net difference between projected and actual earnings on pension plan investments	8,076,825	755,620
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,627,805	4,150,037
Township contributions subsequent to the measurement date	<u> </u>	<u> </u>
Total	<u><u>\$26,670,646</u></u>	<u><u>\$4,905,657</u></u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$5,574,399
2018	5,574,399
2019	7,510,896
2020	4,441,449
2021	186,077

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014 amounts, respectively.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$4,547,316,543	\$3,512,729,953
Collective deferred inflows of resources	688,197,590	871,083,367
Collective net pension liability	20,706,699,056	16,656,514,197
Township's Proportion	0.603433588600%	0.580589542900%

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.65 Percent

Mortality Rates

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 on 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. Post-retirement mortality rates for female service retirements and beneficiaries are based on 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 tables used for the period after disability.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return

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 Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.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 U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This 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% and 3.80% as of June 30, 2016 and 2015, respectively, 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 State employer contributed 30% of the actuarially determined contributions and 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, respectively, 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 higher than the current rate:

	June 30, 2016		
	1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	1% Increase <u>6.55%</u>
Township's proportionate share of the pension liability	\$161,115,381	\$115,271,251	\$95,461,444

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 6, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Township retirees hired prior to January 1, 1995 who have retired after twenty-five (25) years or more of service credit in a state or local agency retirement system and who have worked a period of twenty (20) consecutive years with the Township at the time of retirement.

Health insurance, including dental and prescription coverage, are provided for retirees and their spouses. Dependent coverage must be paid for by the retiree at the Township cost imposed by the insurance carrier.

The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. During 2016, the Township contributed an estimated \$7,830,165 to the costs of retiree benefits.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Township obtained an actuarially determined calculation for this obligation.

The Township's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Township, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Township's annual OPEB cost for the year ended December 31, 2016, and the related information for the plan, are as follows:

January 1, 2016 - Net OPEB Obligation (Initial) (NOO)	\$34,533,413
Annual OPEB Costs (AOC)	15,889,247
Contribution from employer and other contributing entities	<u>(7,830,165)</u>
December 31, 2016 - Net OPEB Obligation (NOO)	<u>\$42,592,495</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2016 were as follows:

		<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u> (Dollars in Thousands)	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
		2016	\$15,889,247	49%	\$42,592,495

<u>Valuation Date</u>	<u>Service Cost with Interest</u>	<u>Interest on Unfunded Accrued Liability</u> (Dollars in Thousands)	<u>Unfunded Actuarial Accrued Liability</u>	<u>Projected Unfunded Accrued Liability</u>
12/31/15	\$4,600.7	\$10,329.2	\$262,146.2	\$269,430.0

*Required disclosure at adoption of standard payroll is not provided.

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2015) is \$262,146,185 assuming no prefunding of obligations. The majority of this obligation is for current active employees.

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2016 Fiscal Year Normal Cost is \$4,600,714 assuming no prefunding of obligations. In pension accounting, this is also known as "service cost."

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

Assumptions

Valuation Date	January 1, 2015																
Initial Implementation Year	January 1, 2010 to December 31, 2010																
Discount Rate	4.0%																
Retirement Benefits	Coverage for pre-65 and post-65 coverage.																
Covered Benefits	<p>Employees who retire from the Township may be eligible for subsidized postemployment medical and prescription drug benefits based on the number of years of service completed.</p> <p>Medical coverage, provided through the Cigna network, is offered to retirees on a self-funded basis administered by Insurance Design Administrators. Prescription drug benefits are offered on a fully insured basis through Benecard.</p> <p>No subsidized coverage for dental, vision or life insurance is available.</p>																
Insurance Coverage and Funding	Medical coverage is self-funded through the Cigna network and Insurance Design Administrators. Prescription drug benefits are provided by Benecard on a fully insured basis.																
Assets	Not valued since benefit is unfunded. Assets are zero.																
Actuarial Cost Method	Projected Unit Credit.																
Health Care Cost Trend Assumption	<p>The following assumptions are used for annual healthcare cost inflation (trend):</p> <table><tr><td></td><td><u>Year</u></td><td><u>Pre-65</u></td><td><u>Post-65</u></td></tr><tr><td>Year 1 Trend</td><td>January 1, 2017</td><td>9.0%</td><td>9.0%</td></tr><tr><td>Ultimate Trend</td><td>January 1, 2012 & Later</td><td>5.0%</td><td>5.0%</td></tr><tr><td>Grading Per Year</td><td></td><td>1.0%</td><td>1.0%</td></tr></table>		<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>	Year 1 Trend	January 1, 2017	9.0%	9.0%	Ultimate Trend	January 1, 2012 & Later	5.0%	5.0%	Grading Per Year		1.0%	1.0%
	<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>														
Year 1 Trend	January 1, 2017	9.0%	9.0%														
Ultimate Trend	January 1, 2012 & Later	5.0%	5.0%														
Grading Per Year		1.0%	1.0%														
Projected Benefit Costs	Base plan costs provided by the Township are assumed to be experience rated and therefore adjusted for aging. This treatment is consistent with Actuarial Standards of Practice No. 6.																
Medicare Part B Reimbursements	The valuation reflects the reimbursement of Medicare Part B premium rates to retirees and spouses over age 65 that are eligible for the benefit. Employees would pay this premium and be reimbursed by the Township for 100% of the Part B premium.																

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

Healthcare Reform Impact

The High Cost Plans Excise tax includes a 40% tax ("Cadillac tax") on high cost plans that will be levied on insurers and third party administrators (TPA) beginning in 2020 and will be tax deductible. It will be calculated separately for single and family coverage and will be equal to 40% of the excess of per employee plan costs, net of patient cost sharing, over the 2020 stated cost limits of:

- \$10,200 single/\$27,500 family
- \$11,850 single/\$30,950 family for retirees age 55-64

NOTE 8. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2016 and 2015 which has been appropriated as revenue in the 2017 and 2016 budgets is as follows:

	<u>2017</u>	<u>2016</u>
Current Fund	<u>\$5,500,000</u>	<u>\$5,000,000</u>
Water Utility	<u>\$2,500,000</u>	<u>\$ -0-</u>

NOTE 9. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2016:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land and Buildings	\$30,321,211	\$	\$	\$30,321,211
Furniture and Fixtures	453,583	9,674		463,257
Automobiles and Vehicles	5,694,884	595,897	2,000	6,288,781
Machinery and Equipment	<u>4,371,724</u>	<u>362,467</u>		<u>4,734,191</u>
	<u>\$40,841,402</u>	<u>\$968,038</u>	<u>\$2,000</u>	<u>\$41,807,440</u>

NOTE 10. ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$3,469,641 as of December 31, 2016. The amount is not reported either as an expenditure or liability.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 11. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2016 consist of the following:

\$445,141	Due to the Current Fund from the Federal and State Grant Fund for grant awards received less expenses paid.
6,029	Due to the Federal and State Grant Fund from the Other Trust Fund for grant awards received.
43,631	Due from the Animal Control Trust Fund to the Current Fund for the current year statutory excess.
4,047,692	Due to the Other Trust Fund from the Current Fund for prior years' cumulative balances, deposits made in error, appropriation transfers to reserves, less interest earned on investments and reimbursement of expenditures paid.
202,993	Due to the Open Space Trust Fund from the Current Fund for the 2016 open space levy collected but not transferred.
26,826	Due to the Current Fund from the Community Development Trust Fund to reimburse expenditures paid out of the Claims account for which the monies were never transferred.
408,728	Due to the Current Fund from the Payroll Deductions Trust Fund for interest earned on investments and employee health benefits deductions.
525,000	Due to the General Capital Fund from the Open Space Trust Fund for monies appropriated in Ordinance 2016-44.
269,151	Due to the Collector - General Trust for cash transferred in error.
<u>4,795</u>	Due to the Section Eight Housing Trust Fund from the Current Fund to reimburse Trust for old voided checks in the Claims Account.
<u><u>\$5,979,986</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 12. RISK MANAGEMENT

The Township maintains self-insurance bank accounts reflecting the following balance as of December 31, 2016:

Primary Coverage Account in the Amount of	<u><u>\$788,414</u></u>
---	-------------------------

Additionally, the Township maintains an excess workers' compensation policy with Garden State Municipal Joint Insurance Fund containing the following limits:

Workers' Compensation	\$13,000,000 of which the first \$200,000 is the Township's responsibility and in excess of \$200,000 is covered by National Union with no limit.
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TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 12. RISK MANAGEMENT, (continued)

Processing and payment of claims are administered by Insurance Design Administrator.

A summary of activity for this fund is detailed as follows:

Balance December 31, 2015	\$68,944
Receipts	9,595,547
Disbursements	<u>9,197,259</u>
Balance December 31, 2016	<u><u>\$467,232</u></u>

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2016.

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2016</u>	<u>Balance Dec 31, 2015</u>
Prepaid Taxes	<u>\$966,280</u>	<u>\$898,288</u>
Cash Liability for Taxes Collected in Advance	<u><u>\$966,280</u></u>	<u><u>\$898,288</u></u>

NOTE 14. LITIGATION

The Township is a defendant in various legal proceedings. These cases, if decided against the Township, would be raised by future taxation. The Township's legal counsel estimate such amounts to be immaterial.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 15. SUBSEQUENT EVENTS

On August 21, 2017, the Township council introduced an ordinance dissolving the Township's Parking Authority; an ordinance creating a parking utility and an ordinance providing for the assumption of the outstanding bonded indebtedness of the Authority and refunding of the Authority's outstanding notes.

On September 13, 2017, the Township submitted an application to the Division of Local Government Services, Local Finance Board for approval of the ordinance dissolving the Authority and the assumption of the \$18,520,000 in outstanding bonds and authorizing parking utility obligations in the amount of \$6,040,000 to refund the outstanding Authority notes maturing in November of 2017. The application also requests on order from the Board that the parking system to be acquired by the Township upon the dissolution of the Authority will have an income sufficient to make it self-liquidating.

The application submitted to the Local Finance Board was approved on September 13, 2017.

The Township has evaluated subsequent events through September 13, 2017, the date which the financial statements were available to be issued and no other items were noted for disclosure.

APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE TAX-EXEMPT BONDS

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

April ____, 2018

Mayor and Township Council of the
Township of Bloomfield
Bloomfield, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$19,950,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds") and \$5,387,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds" and together with the General Improvement Bonds, the "Bonds") of the Township of Bloomfield, in the County of Essex (the "Township"), a municipal corporation of the State of New Jersey (the "State").

The Bonds are authorized by and are issued pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the Township Council of the Township and approved and published as required by law, and by a resolution duly adopted by the Township Council of the Township on February 26, 2018.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds of each series maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co., as nominee for DTC. Disbursal of such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date"), commencing February 1, 2019, in each year until maturity or earlier redemption, as applicable. The Bonds shall mature on February 1 in each of the years, in the principal amounts and at the interest rates as follows:

\$19,950,000 GENERAL IMPROVEMENT BONDS, SERIES 2018

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$555,000		2032	745,000	
2020	555,000		2033	770,000	
2021	560,000		2034	795,000	
2022	570,000		2035	820,000	
2023	585,000		2036	845,000	
2024	595,000		2037	875,000	
2025	610,000		2038	905,000	
2026	630,000		2039	935,000	
2027	645,000		2040	965,000	
2028	665,000		2041	1,000,000	
2029	685,000		2042	1,035,000	
2030	705,000		2043	1,070,000	
2031	725,000		2044	1,105,000	

\$5,387,000 WATER UTILITY BONDS, SERIES 2018

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$155,000		2032	205,000	
2021	155,000		2033	215,000	
2022	160,000		2034	220,000	
2023	160,000		2035	230,000	
2024	165,000		2036	235,000	
2025	170,000		2037	245,000	
2026	175,000		2038	250,000	
2027	180,000		2039	260,000	
2028	185,000		2040	270,000	
2029	190,000		2041	280,000	
2030	195,000		2042	285,000	
2031	200,000		2043	295,000	
			2044	307,000	

The Bonds are subject to optional redemption prior to their stated maturities as stated therein.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs, relative to the authorization, sale, issuance and delivery of the Bonds, as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance and delivery of the Bonds pursuant to New Jersey Statutes, including the Local Bond Law, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, and (iii) the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Township will represent in its tax certificate relating to the Bonds that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, assuming continuing compliance by the Township with the Code and the aforementioned covenants and representations in its tax certificate, under existing laws, statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax on individuals.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on February 1 in the years ____ through ____, inclusive (the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.]

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on February 1 in the years ____ through ____, inclusive (the "Discount Bonds") and its initial public offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity).]

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the General Improvement Bonds and one of the Water Utility Bonds, as executed by the Township, and, in our opinion, the form of each such Bond and its execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX D

FORM OF APPROVING LEGAL OPINION FOR THE TAXABLE BONDS

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

April ____, 2018

Mayor and Township Council of the
Township of Bloomfield
Bloomfield, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$4,808,000 aggregate principal amount of General Improvement Bonds, Series 2018 (Federally Taxable) (the "Bonds") of the Township of Bloomfield, in the County of Essex (the "Township"), a municipal corporation of the State of New Jersey (the "State").

The Bonds are authorized by and are issued pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), a bond ordinance duly adopted by the Township Council of the Township and approved and published as required by law, and by a resolution duly adopted by the Township Council of the Township on February 26, 2018.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co., as nominee for DTC. Disbursal of such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date"), commencing February 1, 2019, in each year until maturity or earlier

redemption, as applicable. The Bonds shall mature on February 1 in each of the years, in the principal amounts and at the interest rates as follows:

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$135,000		2034	\$140,000	
2020	135,000		2035	145,000	
2021	135,000		2036	150,000	
2022	135,000		2037	155,000	
2023	135,000		2038	165,000	
2024	135,000		2039	170,000	
2025	135,000		2040	175,000	
2026	135,000		2041	185,000	
2027	135,000		2042	190,000	
2028	135,000		2043	200,000	
2029	135,000		2044	205,000	
2030	135,000		2045	215,000	
2031	135,000		2046	220,000	
2032	135,000		2047	230,000	
2033	135,000		2048	238,000	

The Bonds are subject to optional redemption prior to their stated maturities as stated therein.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs, relative to the authorization, sale, issuance and delivery of the Bonds, as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance and delivery of the Bonds pursuant to New Jersey Statutes, including the Local Bond Law, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, and (iii) the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraph, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the Bonds as executed by the Township, and, in our opinion, the form of such Bond and its execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX E

FORM OF APPROVING LEGAL OPINION FOR THE TAX-EXEMPT NOTES

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

April __, 2018

Mayor and Township Council
of the Township of Bloomfield
Bloomfield, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Township Council of the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township") and other proofs submitted to us relative to the issuance and sale of the

\$13,731,000 Bond Anticipation Notes, Series 2018

The Notes are dated April 10, 2018, mature on April 9, 2019 and bear interest at the rate of _____ (____%) per annum. [The Notes are issued in fully registered book-entry-only form without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases may be made in the principal amount of \$5,000, or any integral multiple thereof, except that any amount of Notes in excess of the largest principal amount thereof equaling a multiple of \$5,000 will be in denominations of \$1,000, or any integral multiple thereof, through book-entries made on the books and the records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC.] The Notes are not subject to redemption prior to their stated maturity.

The Notes are authorized and issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and by bond ordinances duly adopted by the Township Council of the Township and approved and published as required by law and a resolution duly adopted by the Township Council of the Township on February 26, 2018.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, (ii) the Notes are valid and legally binding general obligations of the Township, and (iii) all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The Township has covenanted in its tax certificate to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to section 103(a) of the Code.

In our opinion, assuming continuing compliance by the Township with the aforementioned covenant in its tax certificate, under existing laws, statutes, regulations, rulings and court decisions, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of section 57(a)(5) of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax on individuals.

Furthermore, in our opinion, interest on the Notes and any gain on the sale thereof are not includable in gross income of the owners of the Notes under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the form of the unexecuted Notes and, in our opinion, the form of the Notes is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX F

FORM OF APPROVING LEGAL OPINION FOR THE TAXABLE NOTES

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

April ____, 2018

Mayor and Township Council
of the Township of Bloomfield
Bloomfield, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Township Council of the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township") and other proofs submitted to us relative to the issuance and sale of the

\$6,040,000
Parking Utility Notes, Series 2018
(Federally Taxable)

The Notes are dated April 10, 2018, mature on April 9, 2019 and bear interest at the rate of _____ (____%) per annum. [The Notes are issued in fully registered book-entry-only form without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases may be made in the principal amount of \$5,000, or any integral multiple thereof, except that any amount of Notes in excess of the largest principal amount thereof equaling a multiple of \$5,000 will be in denominations of \$1,000, or any integral multiple thereof, through book-entries made on the books and the records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC.] The Notes are not subject to redemption prior to their stated maturity.

The Notes are authorized and issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and by bond ordinances duly adopted by the Township Council of the Township and approved and published as required by law and a resolution duly adopted by the Township Council of the Township on February 26, 2018.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, (ii) the Notes are valid and legally binding general obligations of the Township, and (iii) all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

In our opinion, under existing law, statutes, regulations, rulings and court decisions interest on the Notes is includable in the gross income of the owners of the Notes for Federal income tax purposes.

Furthermore, in our opinion, interest on the Notes and any gain on the sale thereof are not includable in gross income of the owners of the Notes under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors’ rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the forms of the unexecuted Notes and, in our opinion, the forms of the Notes are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated April 10, 2018 (the "Disclosure Certificate") is executed and delivered by the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township" or the "Issuer") in connection with the issuance of its \$19,950,000 aggregate principal amount of General Improvement Bonds, Series 2018, \$5,387,000 aggregate principal amount of Water Utility Bonds, Series 2018 (collectively, the "Tax-Exempt Bonds") and \$4,808,000 General Improvement Bonds, Series 2018 (Federally Taxable) (the "Taxable Bonds" and together with the Tax-Exempt Bonds, the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued pursuant to various bond ordinances duly adopted by the Township Council of the Township approved and published as required by law, a resolution combining Township bond ordinances for purposes of sale of the Bonds and a resolution entitled, "RESOLUTION PROVIDING FOR THE COMBINATION OF CERTAIN BOND ORDINANCES AND DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF (i) \$25,337,000 GENERAL OBLIGATION BONDS, SERIES 2018 CONSISTING OF \$19,950,000 GENERAL IMPROVEMENT BONDS, SERIES 2018 AND \$5,387,000 WATER UTILITY BONDS, SERIES 2018 (ii) \$4,808,000 GENERAL IMPROVEMENT BONDS, SERIES 2018 (FEDERALLY TAXABLE) AND (iii) \$19,771,168 GENERAL OBLIGATION NOTES, SERIES 2018 CONSISTING OF \$13,731,168 BOND ANTICIPATION NOTES, SERIES 2018 AND \$6,040,000 PARKING UTILITY NOTES, SERIES 2018 (FEDERALLY TAXABLE) OF THE TOWNSHIP OF BLOOMFIELD, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY AND PROVIDING FOR THEIR SALE THERETO" (the "Bond Resolution"), being duly adopted by the Township Council of the Township on February 26, 2018. The Township covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Township for the benefit of the Holders of the Bonds and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Township acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

“Continuing Disclosure Information” shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Township with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Authority with EMMA pursuant to Section 5 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Chief Financial Officer of the Township or her designee, or such other person as the Township shall designate in writing from time to time for the purposes of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially the Township or any Dissemination Agent subsequently designated in writing by the Township which has filed with the Township a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Township or the Dissemination Agent shall submit disclosure documents to EMMA as a Portable Document File (PDF file) to www.emma.msrb.org.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“State” shall mean the State of New Jersey.

“Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Township shall provide or cause to be provided to the Dissemination Agent not later than 270 days from the end of each fiscal year, beginning with the fiscal year ending December 31 of the year in which the Bonds are issued, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Township may be submitted

separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Township are not available by such date, the Township shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Township, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Township.

(b) Not later than 270 days from the end of each fiscal year, beginning with the fiscal year ending December 31 of the year in which the Bonds are issued, the Dissemination Agent shall file with EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Township does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Township (if the Dissemination Agent is not the Township).

(d) Each year the Dissemination Agent shall file a report with the Township (if the Dissemination Agent is not the Township), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, and stating the date it was provided.

(e) If the fiscal year of the Township changes, the Township shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Township, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The Township's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Township (as of December 31 of each year).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and the budget laws of the State.

(2) The most current annual debt statement of the Township (as of December 31).

(3) The general financial information and operating data of the Township consistent with the information set forth in Appendix A to the Official Statement dated March 29, 2018, prepared in connection with the sale of the Bonds (the "Official Statement").

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Township is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Township shall clearly identify each such other document so incorporated by reference.

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

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the Township;

13. The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material.

The Township shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Township has or obtains knowledge of the occurrence of any of the Listed Events, the Township shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Township determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Township is not the Dissemination Agent) and the Township shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Township determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Township) and the Dissemination Agent (if the Dissemination Agent is not the Township) shall be instructed by the Township not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Township (if the Dissemination Agent is not the Township). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Township's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an "Obligated Person" (as defined in the Rule). The Township shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. The Township is currently in compliance with all previous undertakings, if any, to provide secondary market disclosure pursuant to the Rule.

SECTION 8. Dissemination Agent; Compensation. The Township may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Township. The Township shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Township may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Township to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Township or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Township shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Township shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the

Township. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Township chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Township shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Township to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Township to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Township agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Township) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Township further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Township under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Township, the Dissemination Agent, the Underwriters, and the Beneficial

Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Township

Mr. Robert Renna
Chief Financial Officer
Township of Bloomfield
1 Municipal Plaza
Bloomfield, New Jersey 07003
Email: rrenna@bloomfieldtwpnj.com

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds:

initially: Mr. Robert Renna
Chief Financial Officer
Township of Bloomfield
1 Municipal Plaza
Bloomfield, New Jersey 07003
Email: rrenna@bloomfieldtwp.nj

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Township and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Township and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

**TOWNSHIP OF BLOOMFIELD, IN THE
COUNTY OF ESSEX, NEW JERSEY**

By: _____
ROBERT RENNA,
Chief Financial Officer

EXHIBIT A

**NOTICE TO EMMA OF FAILURE
TO FILE ANNUAL REPORT**

Name of Issuer: Township of Bloomfield,
in the County of Essex, State of New Jersey

Name of Issue: \$19,950,000 General Improvement Bonds, Series 2018
\$5,387,000 Water Utility Bonds, Series 2018
\$4,808,000 General Improvement Bonds, Series 2018
(Federally Taxable)
(CUSIP Number: 094171____)

Date of Issuance: April 10, 2018

NOTICE IS HEREBY GIVEN that the above designated Township has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated January 24, 2017 executed by the Township.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Township)

cc: The Township

APPENDIX H

FORM OF CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

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CONTINUING DISCLOSURE CERTIFICATE

I, ROBERT RENNA, Chief Financial Officer of the Township of Bloomfield, in the County of Essex (the "Township"), a municipal corporation of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance by the Township of \$13,731,000 aggregate principal amount of Bond Anticipation Notes, Series 2018 (the "Tax-Exempt Notes"), and \$6,040,000 Parking Utility Notes, Series 2018 (Federally Taxable) (the "Taxable Notes" and together with the Tax-Exempt Notes, the "Notes"), that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the Township will provide notice of the following events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a PDF file to www.emma.msrb.org, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of Note holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or (14) appointment of a successor or additional trustee for the Notes or the change of name of a trustee for the Notes, if material ((1) through (14) shall, collectively, be referred to as the "Listed Events").

If the Township (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the Township shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis not in excess of ten (10) business days after the occurrence of any of the aforementioned events.

The Township's obligations under this Certificate shall terminate upon the payment in full of the Notes.

In the event the Township fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate,

including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the Township's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the Township, the original underwriters of the Notes, and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Township this 10th day of April, 2018.

**TOWNSHIP OF BLOOMFIELD, IN THE COUNTY
OF ESSEX, STATE OF NEW JERSEY**

**ROBERT RENNA,
Chief Financial Officer**