

OFFICIAL STATEMENT DATED MARCH 19, 2020

NEW ISSUE (BOOK-ENTRY ONLY – BONDS ONLY)

RATING ON BONDS: Moody's: "Aa2"
RATING ON NOTES: Moody's: "MIG-1"
(See "RATINGS" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Township (as hereinafter defined) ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds and the 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) will not be treated as a preference item under section 57 of the Code for purposes of calculating the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and the Notes (as defined herein) and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAXMATTERS" herein.

TOWNSHIP OF BLOOMFIELD COUNTY OF ESSEX STATE OF NEW JERSEY

**\$17,730,000 GENERAL OBLIGATION BONDS, SERIES 2020
CONSISTING OF
\$14,630,000 GENERAL IMPROVEMENT BONDS, SERIES 2020
AND
\$3,100,000 WATER UTILITY BONDS, SERIES 2020**

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

**\$4,900,000 BOND ANTICIPATION NOTES,
SERIES 2020 (TAX-EXEMPT)
CONSISTING OF
\$3,340,000 BOND ANTICIPATION NOTES,
SERIES 2020 (TAX-EXEMPT)
AND
\$1,560,000 REDEVELOPMENT AREA BOND
ANTICIPATION NOTES, SERIES 2020
(TAX-EXEMPT)
Coupon: 2.20%
Not Reoffered**

**Dated: April 2, 2020
Due: April 1, 2021**

**\$8,963,000 PARKING UTILITY NOTES, SERIES 2020
(FEDERALLY TAXABLE)
Coupon: 2.82%
Not Reoffered%**

**Dated: April 2, 2020
Due: April 1, 2021**

The \$17,730,000 General Obligation Bonds, Series 2020 consisting of \$14,630,000 General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,100,000 Water Utility Bonds, Series 2020 (the "Water Utility Bonds") and together with the General Improvement 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 \$4,900,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) consisting of \$3,340,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Bond Anticipation Notes") and \$1,560,000 Redevelopment Area Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Redevelopment Area Bond Anticipation Notes") and together with the Tax-Exempt Bond Anticipation Notes, the "Tax-Exempt Notes") and \$8,963,000 Parking Utility Notes, Series 2020 (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 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. Individual purchases of the Bonds will be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof, 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.

The Notes will be registered in the name of and held by Bank of America, N.A., as purchaser of the Notes (the "Purchaser").

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, 2021, 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 respective 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"), 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 24, 2020. The Notes are authorized by, and are issued pursuant to, as applicable, the provisions of the Local Bond Law, the Local Redevelopment and Housing Law of the State of New Jersey, N.J.S.A. 40A:12A-1 *et seq.*, as amended and supplemented (the "Redevelopment 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 24, 2020.

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS" under the subheading entitled "Redemption for the 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 contain 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 the 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. Parlavacchio, Esq., of Bevan, Mosca & Giuditta, P.C., Basking Ridge, New Jersey. It is anticipated that the Bonds will be available for delivery through DTC and the Notes will be available for delivery to the Purchaser on or about April 2, 2020.



Underwriter for the Bonds



Purchaser of the Notes

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

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

**\$17,730,000 GENERAL OBLIGATION BONDS, SERIES 2020
CONSISTING OF
\$14,630,000 GENERAL IMPROVEMENT BONDS, SERIES 2020
AND
\$3,100,000 WATER UTILITY BONDS, SERIES 2020**

<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>
2021	\$ 395,000	\$ 85,000	\$ 480,000	5.000%	2.510%	094171NM3
2022	490,000	105,000	595,000	5.000	2.520	094171NN1
2023	495,000	105,000	600,000	5.000	2.530	094171NP6
2024	500,000	105,000	605,000	5.000	2.630	094171NQ4
2025	505,000	110,000	615,000	5.000	2.810	094171NR2
2026	515,000	110,000	625,000	5.000	2.850	094171NS0
2027	520,000	110,000	630,000	5.000	2.890	094171NT8
2028	525,000	110,000	635,000	5.000	2.960	094171NU5
2029	535,000	115,000	650,000	5.000	3.030*	094171NV3
2030	545,000	115,000	660,000	5.000	3.090*	094171NW1
2031	550,000	115,000	665,000	5.000	3.140*	094171NX9
2032	560,000	120,000	680,000	5.000	3.180*	094171NY7
2033	575,000	120,000	695,000	5.000	3.210*	094171NZ4
2034	585,000	125,000	710,000	3.375	3.550	094171PA7
2035	595,000	125,000	720,000	3.375	3.600	094171PB5
2036	610,000	130,000	740,000	3.500	3.650	094171PC3
2037	620,000	130,000	750,000	3.500	3.700	094171PD1
2038	635,000	135,000	770,000	3.500	3.750	094171PE9
2039	650,000	135,000	785,000	3.500	3.800	094171PF6
2040	665,000	140,000	805,000	3.750	3.850	094171PG4
2041	680,000	145,000	825,000	3.750	3.900	094171PH2
2042	695,000	145,000	840,000	3.750	3.950	094171PJ8
2043	710,000	150,000	860,000	4.000	4.000	094171PK5
2044	730,000	155,000	885,000	4.000	4.050	094171PL3
2045	<u>745,000</u>	<u>160,000</u>	<u>905,000</u>	4.000	4.100	094171PM1
	<u>\$14,630,000</u>	<u>\$3,100,000</u>	<u>\$17,730,000</u>			

* Priced to first optional redemption date February 1, 2028

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

**TOWNSHIP OF 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

Wielkott & Company, LLC
Pompton Lakes, New Jersey

MUNICIPAL 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 or the 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 or the 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, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds are offered to the public by the Underwriter 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 Underwriter may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriter and the Purchaser 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 Underwriter and the Purchaser 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

**\$17,730,000 GENERAL OBLIGATION BONDS, SERIES 2020
CONSISTING OF
\$14,630,000 GENERAL IMPROVEMENT BONDS, SERIES 2020
AND
\$3,100,000 WATER UTILITY BONDS, SERIES 2020
(COLLECTIVELY, THE "BONDS")**

**\$4,900,000 BOND ANTICIPATION NOTES, SERIES 2020
CONSISTING OF
\$3,340,000 BOND ANTICIPATION NOTES, SERIES 2020 (TAX-EXEMPT)
AND
\$1,560,000 REDEVELOPMENT AREA BOND ANTICIPATION NOTES, SERIES 2020
(TAX-EXEMPT)
(COLLECTIVELY, THE "TAX-EXEMPT NOTES")**

AND

**\$8,963,000 PARKING UTILITY NOTES, SERIES 2020
(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) \$17,730,000 aggregate principal amount of General Obligation Bonds, Series 2020 consisting of \$14,630,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,100,000 aggregate principal amount of Water Utility Bonds, Series 2020 (the "Water Utility Bonds" and together with the General Improvement Bonds, the "Bonds"); (ii) \$4,900,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) consisting of \$3,340,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Bond Anticipation Notes") and \$1,560,000 Redevelopment Area Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Redevelopment Area Bond Anticipation Notes" and together with the Tax-Exempt Bond Anticipation Notes, the "Tax-Exempt Notes" and (iii) \$8,963,000 Parking Utility Notes, Series 2020 (Federally Taxable) (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 the Notes.

This Official Statement contains specific information relating to the Bonds and the 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 page 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, 2021. 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 page.

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, 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 "THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION" herein.

Redemption for the Bonds

The Bonds maturing prior to February 1, 2029 are not subject to redemption prior to their stated maturities. The 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 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 24, 2020 (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 General Improvement Bonds

The General Improvement Bonds are being issued to permanently finance a \$14,630,000 principal portion of the Township's \$17,730,000 Bond Anticipation Notes, Series 2019, dated April 8, 2019 and maturing April 7, 2020.

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>
17-27	Various 2017 Capital Acquisitions and Improvements, finally adopted June 26, 2017	\$ 3,630,000
18-33	Various 2018 Capital Acquisitions and Improvements, finally adopted August 20, 2018	\$ 2,500,000
18-34	Creation of a wetlands and various recreation improvements on property known as Scientific Glass, finally adopted September 10, 2018	<u>\$ 8,500,000</u>
TOTALS		<u>\$14,630,000</u>

Purpose of the Water Utility Bonds

The Water Utility Bonds are being issued to permanently finance a \$3,100,000 principal portion of the Township's \$17,730,000 Bond Anticipation Notes, Series 2019, dated April 8, 2019 and maturing April 7, 2020.

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>
17-31	Improvement and Upgrades to the Water System, finally adopted August 21, 2017	\$ 3,100,000
TOTALS		<u>\$3,100,000</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 the 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 respective 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 registered in the name of and held by Bank of America, N.A., as purchaser of the Notes (the "Purchaser"). Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity.

Redemption

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

Authorization for the Issuance of the Notes

The Tax-Exempt Bond Anticipation 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 a resolution duly adopted by the Township Council on February 24, 2020 (the "Resolution").

The Tax Exempt Redevelopment Bond Anticipation Notes are authorized by, and are issued pursuant to, as applicable, the provisions of the Local Bond Law, the Local Redevelopment and Housing

Law, N.J.S.A. 40A:12A- 1 et seq., as amended and supplemented (the “Redevelopment 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 Taxable Notes are authorized by, and are issued pursuant to, the provisions of 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 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 Bond Anticipation Notes are being issued to temporarily finance various capital improvements in and for the Township, including the costs associated with the issuance of the Tax-Exempt Bond Anticipation Notes. The Tax-Exempt Bond Anticipation Notes and the improvement or purpose for which the Tax-Exempt Bond Anticipation Notes are to be issued have been authorized by a bond ordinance duly adopted by the Township Council of the Township, which bond ordinances is described on the following table by ordinance number, description and date of final adoption and the amount of Tax-Exempt Bond Anticipation Notes to be issued for such purpose. The bond ordinance is:

Ordinance Number	Description and Date of Final Adoption	Amount
19-41	Various 2019 Capital Acquisitions and Improvements, finally adopted August 19, 2019	\$3,340,000
TOTAL		<u>\$3,340,000</u>

The Tax-Exempt Redevelopment Area Bond Anticipation Notes are being issued to temporarily finance various capital improvements in and for the Township, including the payment of interest due on the Tax-Exempt Redevelopment Area Bond Anticipation Notes and the costs associated with the Tax-Exempt Redevelopment Area Bond Anticipation Notes. The Tax-Exempt Bond Anticipation Notes and the improvement or purpose for which the Tax-Exempt Bond Anticipation Notes are to be issued have been authorized by a bond ordinance duly adopted by the Township Council of the Township, which bond ordinances is described on the following table by ordinance number, description and date of final adoption and the amount of Tax-Exempt Bond Anticipation Notes to be issued for such purpose. The bond ordinance is:

Ordinance Number	Description and Date of Final Adoption	Amount
18-50	Providing for the Funding of Improvements to the Bloomfield Center Redevelopment Area, finally adopted November 26, 2018	\$1,560,000
TOTAL		<u>\$1,560,000</u>

The Taxable Notes are being issued to (i) currently refund a principal portion of \$5,963,000 of the Township's \$6,040,000 Parking Utility Notes, Series 2019 (Federally Taxable) dated April 8, 2019 and maturing April 7, 2020 (the "Prior Taxable Notes") (the remaining balance of the Prior Taxable Notes in the amount of \$77,000 will be paid by the Township through a 2020 budget appropriation) and (ii) temporarily finance various parking utility improvements in the amount of \$3,000,000, including the costs associated with the Taxable Notes. The Taxable Notes and the improvement or purpose for which the Taxable Notes are to be issued has been authorized by various 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 Taxable Notes to be issued for such purposes. The bond ordinance are:

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 September 18, 2017	\$5,963,000
19-58	Providing for Various Parking Utility Improvements, finally adopted November 25, 2019	<u>\$3,000,000</u>
TOTAL		<u>\$8,963,000</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.

REDEVELOPMENT PROJECT RELATING TO THE NOTES

The Tax-Exempt Redevelopment Area Bond Anticipation Notes are authorized to finance the acquisition and rehabilitation of the Bloomfield train station and the demolition/rehabilitation of blighted property to a public park all to be undertaken in connection with and as part of the revitalization of the Bloomfield train station and the Bloomfield Center Redevelopment Plan and are issued in anticipation of the issuance of Redevelopment Area Bonds (the "RABs"). The RABs, when issued, shall be general

obligations of the Township and the payments of the annual service charge to be paid pursuant to a financial agreement and special assessments shall be pledged to the payment thereof.

The Redevelopment Project and the Train Station

The revitalization of the train station is being undertaken in connection with a redevelopment project located in the Township's downtown redevelopment area, adjacent to the Bloomfield train station. The redevelopment project includes the construction of an approximately 210 rental unit residential apartment structure, approximately 15 townhomes, approximately 8,000 sq. ft. of retail space (collectively, the "Residential/Retail Portion") and a parking garage including approximately 312 spaces (the "Parking Portion") to service the parking needs of both commuters and the users of the Residential/Retail Portion (the "Redevelopment Project"). The Redevelopment Project is being constructed on property across from the historic Bloomfield train station (the "Station"). The total estimated cost of the Redevelopment Project and the Station is approximately \$83 million.

The revitalization of the Station and its surrounding property has been under consideration by the Township and the community for many years. Built in 1912, the Station is on the New Jersey Register of Historic Places and the National Register of Historic Places. The Station is an integral stop on the New Jersey Transit's Montclair-Boonton Line, with direct connectivity to Penn Station in Manhattan. For several decades the Station was privately owned and had fallen into significant disrepair. In 2012, as part of the Township's redevelopment efforts, the Township began eminent domain proceedings to acquire and redevelop the Station. The Station is now owned by the Township. The acquisition and rehabilitation of the Station is the centerpiece of, and critical to, the Township's downtown redevelopment goals. Recently, the Township has facilitated the redevelopment of projects that are proximate to the Station, including an Avalon Bay development, opened in 2015, which includes residential, retail and parking components, and the soon to be constructed Lackawanna Station redevelopment project which will include residential, parking garage and retail components.

The proceeds of the RABs will be used to finance: The demolition of blighted property adjacent to the redevelopment site and the conversion thereof to a public park and the Township's share of the acquisition and rehabilitation of the Station along with a 2018 New Jersey Transit appropriation in the approximate amount of \$3,700,000 from New Jersey Transit. The reconstruction of the Station involves the restoration and reconstruction of the interior and exterior portions of the two-story Station based on historic materials, design and layout. The existing structure remains in major disrepair, requiring work throughout, including major structural component including the complete reconstruction of the entire roof structure. The proposed renovations/reconstruction also comprise ADA compliance including an exterior ramp at the Lackawanna Place entrance as well as an elevator that would provide access from the ground level to the platform level. The plans have been submitted to and approved by the State of New Jersey, Department of Environmental Protection, Natural & Historic Resources, Historic Preservation Office.

SECURITY FOR THE BONDS AND THE NOTES

The Bonds and the 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 the 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 the 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 the 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 the 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 THE NOTES" and "MUNICIPAL BANKRUPTCY" herein.

The Bonds and the 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.

Market Protection

The Township does anticipate issuing additional obligations in the calendar year 2020.

THE DEPOSITORY TRUST COMPANY ("DTC") INFORMATION

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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, 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 are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Paying Agent, 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 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 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, the following provisions apply: (i) the Bonds may be exchanged for an

equal aggregate principal amount of Bonds 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 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, 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. Interest on the Bonds 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 the 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 by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, 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. Refunding bonds may be issued in accordance with N.J.A.C. 5:30-2.5 and, therefore, no approval is required by the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board"); however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within ten (10) days of the delivery of the 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 (3.50%) of its stated average equalized valuation basis, subject to certain exceptions noted below. N.J.S.A. 40A:2-6. 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" below. 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", which 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 accounting principles 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. Such Annual Financial Statement 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.

DEBT INFORMATION OF THE TOWNSHIP

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.

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. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. 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 ineligible for local examination of its budget in 2019. The Township has yet to adopt its 2020 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. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (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 two percent (2%), certain increases in health care costs in excess of two percent (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 two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (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 a provision of the Local Budget Law, N.J.S.A. 40A:4-48, -49, 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, -55.2, -55.3. 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 for local units. 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 immediately preceding 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 provides limits for 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:

$$\begin{array}{lcl} \text{Total of Local, County,} & & \\ \text{and School Levies} & - \text{ Anticipated Revenues} & = \text{Cash Required from Taxes to Support} \\ & & \text{Local Municipal Budget and Other Taxes} \\ \\ \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes} & = & \text{Amount to be} \\ \text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)} & & \text{Raised by} \\ & & \text{Taxation} \end{array}$$

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.

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.

For calendar year municipalities, 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 by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county of school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous year's billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

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 MATTERS

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 Bonds and the Tax-Exempt Notes in order for the interest on the Bonds and the 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 Bonds or the Tax-Exempt Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds and the Tax-Exempt Notes. The Township will represent in its tax certificates relating to the Bonds and the Tax-Exempt Notes 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 to the Township ("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 Bonds and the 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.

Original Issue Premium

The Bonds maturing on February 1 in the years 2021 through 2033, inclusive, (collectively, the "Premium Bonds") were purchased at a premium ("original issue premium") over the stated principal

amounts of the Bonds. For federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.

Original Issue Discount

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 2034 through 2042, inclusive, and 2044 and 2045 (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices 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). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.

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

Prospective purchasers of the 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 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 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 further of the opinion that, under existing laws of the State, interest on the Bonds and the Notes, and any gain realized on the sale thereof, is not includable in gross income under the existing New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., as amended.

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 the 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 the Notes. Bond Counsel renders its

opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance and delivery of the Bonds and the Notes and assumes no obligation to update its opinion after such date 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 paid or to be paid on the Bonds and the Notes as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds and Appendix D and Appendix E for the complete text of the proposed forms of Bond Counsel's legal opinions with respect to the Notes.

ALL POTENTIAL PURCHASERS OF THE BONDS AND THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS AND THE NOTES.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Township has NOT designated the Bonds and the Tax-Exempt Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

LEGALITY FOR INVESTMENT

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

RISK TO HOLDERS OF BONDS AND THE NOTES

It is understood that the rights of the holders of the Bonds and the 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 AND THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE TOWNSHIP EXPECTS TO UTILIZE THE BENEFITS OF THEIR 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 THE 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 provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such code.

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 the 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 the Notes, the Underwriter and the Purchaser, respectively, shall receive certificates, in forms 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 Underwriter and Purchaser of the Bonds and the Notes shall also receive certificates in forms satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and the Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Bonds and the Notes, and signed by the officers who signed the Bonds and the Notes, stating that no litigation is then pending or,

to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the Notes or the levy or collection of taxes to pay the Bonds or the Notes, as applicable, or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds or the 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 the Notes are subject to the approval of Bond Counsel, whose approving legal opinions with respect to the Bonds and Notes will be delivered with the Bonds and the Notes substantially in the forms set forth as Appendix C, Appendix D and Appendix E, 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"). The various legal opinions to be delivered concurrently with the delivery of the Bonds and the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction

ADDITIONAL INFORMATION

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

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.

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 the Notes (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

LITIGATION

To the knowledge of the Township Attorney, after due inquiry, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds or the Notes, or the levy or collection of any taxes to pay the principal of or the interest on said Bonds or Notes, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or the Notes or for the levy or collection of taxes to pay the principal of and interest on the Bonds or the 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 the Notes will receive a certificate of the Township Attorney to such effect upon the closing of the Bonds and the 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 "Bond Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix F attached hereto. Such Bond Disclosure 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 failed to timely file certain material event notices relating to underlying bond insurer 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 (the "Note Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix G hereto, such Note Disclosure 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 but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor has it verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Wielkotsz & Company, 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.

RATINGS

Moody's Investors Service, Inc. (the "Rating Agency"), has assigned a rating of "Aa2" to the Bonds and a rating of "MIG-1" to the Notes. An explanation of the significance of the ratings on the Bonds and the Notes may be obtained from the Rating Agency. Such ratings reflect only the views of the Rating Agency,

and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely by the Rating Agency, if in the judgment of the Rating Agency, circumstances so warrant. Any revision, downward change or withdrawal of the ratings may have an adverse effect on the marketability or market price of the Bonds or the Notes, as applicable. Except as set forth in the Bond Disclosure Certificate and the Note Disclosure Certificate, the Township has not agreed to take any action with respect to any proposed rating change or to bring such rating change, if any, to the attention of the owners of the Bonds or the Notes, respectively.

UNDERWRITING - BONDS

The Bonds have been purchased from the Township at a public sale by Janney Montgomery Scott, LLC, Philadelphia, Pennsylvania (the "Underwriter") at a price of \$18,096,582.35. The purchase price of the Bonds reflects the par amount of Bonds, plus a bid premium in the amount of \$366,582.35.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the 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 Underwriter without prior notice.

PURCHASER - NOTES

The Tax-Exempt Notes have been purchased from the Township at a public sale by Bank of America, N.A., New York, New York (the "Tax-Exempt Note Purchaser") at a price of \$4,900,000, representing the purchase price of and full payment for the Tax-Exempt Notes.

The Taxable Notes have been purchased from the Township at a public sale by Bank of America, N.A., New York, New York (the "Taxable Note Purchaser" and with the Tax-Exempt Note Purchaser, the "Purchaser") at a price of \$8,963,000, representing the purchase of and full payment for the Taxable Notes.

The Purchaser is not acting as an underwriter with respect to the Notes. The Purchaser has no intention to sell, reoffer, or otherwise dispose of the Notes (or any portion of the Notes or any interest in the Notes).

FINANCIAL STATEMENTS

The financial statements of the Township as of and for the year ended December 31, 2018, together with the Notes to the Financial Statements for the year ended December 31, 2018, are presented in Appendix B to this Official Statement. The financial statements referred to above have been audited by Ferraioli, Wielkotz, Cerullo & Cuva, P.A., (now Wielkotz & Company, LLC) Pompton Lakes, New Jersey, independent auditor, as stated in its 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 the purchasers or holders of any of the Bonds or the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained

herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of Bonds and Notes made hereunder shall, under any circumstances, create any implication that there has been no change 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 its Chief Financial Officer.

TOWNSHIP OF BLOOMFIELD

/s/ Robert Renna
ROBERT RENNA,
Chief Financial Officer

DATED: March 19, 2020

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APPENDIX A

**CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION
CONCERNING THE TOWNSHIP OF BLOOMFIELD**

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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.

The Township also has a Parking Utility, which was established in August of 2017, when the Township dissolved the Township of Bloomfield Parking Authority. The Parking Utility manages all parking garages and surface lots within the Township.

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 Department of Parks, Recreation and Cultural Affairs.

The activities and facilities of the Department are continually being expanded to meet the requirements of all its citizens. The Department 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 Department 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 Department 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
Royal Theatre	255 Units 309 Space Parking Garage	Not Available	Demolition underway
Westinghouse	344 Units	Not Available	Land grading underway
Parkway Lofts Phase II	168 Units	Not Available	Under Construction
Farrand St.	176 Units 314 Space Parking Garage	Not Available	Partially Complete

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, 2019*

Gross Debt:		
School Debt:		
Local Type II School District:		
Serial Bonds Issued and Outstanding		\$17,640,000
Municipal Debt:		
General Improvements:		
Serial Bonds Issued and Outstanding	\$56,879,000	
Bond Anticipation Notes Issued	14,630,000	
Green Trust Loans	384,582	
Bonds and Notes Authorized but Not Issued	<u>21,631,259</u>	
		93,524,841
Water Utility:		
Serial Bonds Issued and Outstanding	5,682,000	
Bond Anticipation Notes Issued	3,100,000	
Bonds and Notes Authorized but Not Issued	<u>11,201,552</u>	
		19,983,552
Parking Utility:		
Serial Bonds Issued and Outstanding	11,285,000	
Bond Anticipation Notes Issued	6,040,000	
Bonds and Notes Authorized but Not Issued	<u>7,000,000</u>	
		<u>24,325,000</u>
Total Gross Debt		155,473,393
Statutory Deductions:		
School Debt:		
Local Type II School District:		
Minimum (4% of Average Equalized Valuations		
\$4,755,047,979)	17,640,000	
General Purpose	1,595,000	
Self-Liquidating Purposes:		
Water Utility	19,983,532	
Parking Utility	<u>24,325,000</u>	
		<u>63,543,532</u>
Statutory Net Debt		<u>\$91,929,841</u>
Average Equalized Valuation of Real Property for 2019		<u>\$4,755,047,979</u>
Net Debt Percentage		<u>1.933%</u>
<u>REMAINING STATUTORY BORROWING POWER*</u>		
3-1/2% of Equalized Valuation Basis		\$166,426,679
Less: Statutory Net Debt		<u>91,929,841</u>
Remaining Borrowing Power December 31, 2019		<u>\$74,496,838</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.

*Unaudited

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

UNDERLYING DEBT
DECEMBER 31, 2019**

County of Essex \$ 529,141,378

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-80 504,411,873

*Gross Debt December 31, 2019 \$1,033,553,251

Apportionment to Township of Bloomfield \$ 53,474,858

Basis of Debt Apportionment:
Ratio of Equalized Valuation
Township of Bloomfield - 2019 \$ 4,755,047,979

Total Essex County - 2019 \$91,904,784,413

Ratio of Township of Bloomfield 5.174%

*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**

	<u>Municipal Debt</u>	<u>Municipal Debt Including Apportioned Underlying Debt</u>
Net Debt as of December 31, 2019	<u>\$91,929,841</u>	<u>\$145,404,699</u>
Aggregate Fair Value for 2019 - All Taxable Property - Assessed Valuation	\$4,046,096,140	
Amount Added for Equalization: Real Property Assessed at 15.11% of True Value	<u>771,799,098</u>	
Total - With Real Property at True Value - 2019	<u>\$4,817,895,238</u>	
Net Debt as a Percentage of True Value	<u>1.908%</u>	<u>3.018%</u>

**Unaudited

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>
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
2018	4,029,303,400	4,036,650,900	3.964	88.71
2019	4,038,755,400	4,046,096,	3.981	84.89

*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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$3.981</u>	<u>\$3.964</u>	<u>\$3.904</u>	<u>\$3.860</u>	<u>\$3.825</u>
Apportionment of Tax Rate					
Municipal	\$1.476	\$1.477	\$1.459	\$1.453	\$1.447
Municipal Open Space	.005	.005	.005	.005	.005
County	.577	.572	.561	.550	.551
Local School	1.884	1.872	1.843	1.817	1.787
Library	<u>.039</u>	<u>.038</u>	<u>.036</u>	<u>.035</u>	<u>.035</u>
	<u>\$3.981</u>	<u>\$3.964</u>	<u>\$3.904</u>	<u>\$3.860</u>	<u>\$3.825</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>
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	158,890,664	156,273,376	98.35
2018	160,622,889	158,043,199	98.39

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>2019 Assessed Value</u>
Forest Hill Properties	\$48,934,700
BR/Prism Central Park	46,615,200
Shelbourne Broad St, LLC	28,793,700
Bloomfield Condo Association	25,857,900
Troy Towers	23,500,000
MCB Bloomfield, LLC	14,500,000
Newels Development	13,197,400
Bloomfield Plaza Associates	11,500,000
ShopRite	11,094,800
DCH Investments, LLC	11,079,600

Source: The Township

TOWNSHIP OF BLOOMFIELD
COUNTY OF ESSEX, NEW JERSEY

REAL PROPERTY CLASSIFICATION
2016 - 2020 (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>
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
2019	34,133,200.00	3,166,502,800.00	255,395,300.00	551,826,600.00	30,897,500.00	4,038,755,400.00	7,558,540.00	4,046,313,940.00

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>
2015	2,023	63,167,543.00
2016	2,139	39,882,056.00
2017	2,262	26,393,759.00
2018	2,097	32,915,226.00
2019	2,263	55,031,874.00

*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, 2018

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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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973-835-7900
Fax 973-835-6631

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100B Main Street
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973-579-3212
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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, 2018 and 2017, 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, 2018, 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, 2018 and 2017 which represents 1.61 percent and 1.39 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 1 to the basic financial statements, during the year ended December 31, 2018, the Township adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this statement only required financial statement disclosure. Our opinions are not modified with respect to this matter.

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 Honorable Mayor and
Members of the Township Council
Page 4.

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 24, 2019 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 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. Wielkatz

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

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

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

September 24, 2019

TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Current Fund:			
Cash - Treasurer	A-4	\$ 22,604,895	24,726,512
Cash - Collector	A-5	1,992,583	6,087,669
Change Fund	A-6	900	900
Petty Cash		100	
		<u>24,598,478</u>	<u>30,815,081</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	2,365,136	3,397,102
Tax Title Liens	A-9	223,531	212,911
Property Acquired for Taxes - Assessed Valuation	A-10	168,200	168,200
Revenue Accounts Receivable	A-11	123,261	132,577
Interfunds Receivable	A-15	1,334,768	941,491
Prepaid School Tax	A-20	4	5
		<u>4,214,900</u>	<u>4,852,286</u>
Deferred Charges:			
Special Emergency - Revaluation	A-12	1,500,000	
Over-expenditure of Appropriations	A-13	9,742	9,742
		<u>1,509,742</u>	<u>9,742</u>
		<u>30,323,120</u>	<u>35,677,109</u>
Federal and State Grant Fund:			
Grants Receivable	A-26	3,398,729	5,303,537
Interfund Accounts Receivable	A-25	6,029	35,288
		<u>3,404,758</u>	<u>5,338,825</u>
		<u>\$ 33,727,878</u>	<u>41,015,934</u>

TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	\$ 5,863,967	6,854,475
Encumbrances Payable	A-3/A-16	812,694	1,284,880
Interfunds Payable	A-12	235,444	339,612
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	52,977	63,149
Reserve for Revaluation	A-17	1,500,000	
Accounts Payable	A-18	191,038	1,012,291
County Taxes Payable	A-19	35,150	147,588
Tax Overpayments	A-21	826,259	655,609
Tax Appeals Pending	A-23	734,039	1,025,095
Prepaid Taxes	A-24	843,641	5,119,866
		<u>11,095,209</u>	<u>16,502,565</u>
Reserve for Receivables	Contra	4,214,900	4,852,286
Fund Balance	A-1	<u>15,013,011</u>	<u>14,322,257</u>
		<u>30,323,120</u>	<u>35,677,108</u>
Federal and State Grant Fund:			
Interfunds Payable	A-25	54,157	
Appropriated Reserves for Grants	A-27	3,310,130	5,299,672
Unappropriated Reserves for Grants	A-28	40,471	39,153
		<u>3,404,758</u>	<u>5,338,825</u>
		<u>\$ 33,727,878</u>	<u>41,015,933</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 6,150,000	5,500,000
Miscellaneous Revenue Anticipated	14,461,471	16,670,923
Receipts from Delinquent Taxes	2,596,507	2,372,835
Receipts from Current Taxes	158,043,199	156,273,995
Non-Budget Revenue	669,373	720,230
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,087,613	3,859,100
Interfunds Returned		
Cancellation of Appropriated Grant Reserves	1,842,336	
Accounts Payable Cancelled	450,000	
Tax Overpayments Cancelled	69,400	168,526
Total Revenues and Other Income	<u>187,369,899</u>	<u>185,565,609</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	34,355,407	32,731,303
Other Expenses	34,267,962	34,405,874
Capital Improvement Fund	325,000	150,000
Municipal Debt Service	3,689,352	3,541,807
Deferred Charges and Statutory Expenditures - Municipal	7,859,705	7,645,166
Local District School Tax	75,576,429	74,350,200
County Taxes including Added Taxes	23,146,247	22,799,185
Local Open Space Taxes	202,141	201,718
Special Improvement District Taxes	366,444	361,415
Prior Year Exemptions Disallowed		7,250
Interfunds Advanced	470,885	194,348
Cancellation of Grants Receivable	1,755,746	
Revenue Refunds	13,827	137,436
Total Expenditures	<u>182,029,145</u>	<u>176,525,702</u>
Excess (Deficit) Revenue Over Expenditures	<u>5,340,754</u>	<u>9,039,907</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Over-Expenditure of Appropriations	<u>1,500,000</u>	<u>9,742</u>

TOWNSHIP OF BLOOMFIELD, N.J.

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

Current Fund

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Statutory Excess to Surplus	6,840,754	9,049,649
Fund Balance, January 1,	<u>14,322,257</u>	<u>10,772,608</u>
	21,163,011	19,822,257
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>6,150,000</u>	<u>5,500,000</u>
Fund Balance, December 31,	\$ <u><u>15,013,011</u></u>	<u><u>14,322,257</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 6,150,000	6,150,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	90,000	93,300	3,300
Other	70,000	54,144	(15,856)
Fees and Permits	375,000	445,186	70,186
Fines and Costs:			
Municipal Court	1,500,000	1,441,999	(58,001)
Interest and Costs on Taxes	475,000	632,857	157,857
Interest on Investments and Deposits	295,000	494,666	199,666
Consolidated Municipal Property Tax Relief	1,223,400	1,223,400	
Energy Receipts Tax	5,151,732	5,151,732	
Uniform Construction Code Fees	695,000	781,225	86,225
Interlocal Service Agreements:			
Board of Health Services:			
Borough of Caldwell	55,868	55,868	
Borough of Glen Ridge	28,107	28,107	
Bloomfield Board of Education	28,615	18,528	(10,087)
Borough of Lincoln Park	18,035	15,843	(2,192)
Borough of Madison	142,070	118,259	(23,811)
Animal Control Services:			
Borough of Caldwell	14,496	14,352	(144)
Borough of Glen Ridge	15,572	15,572	
Public Safety Department:			
Bloomfield Board of Education - COPS in School	195,000	195,000	
Cervical Cancer Screening Program	13,397	13,397	
Environmental Protection Program	23,965	23,965	
Heritage Village - Case Manager Service	15,000	13,750	(1,250)
Public and Private Revenues offset by Appropriations:			
Essex County Division on Aging - Title III Visiting Nurse	22,594	22,594	
Child Health - Lead Grant	150,784	150,784	
Social Services for the Homeless	104,560	104,560	
Partners for Health Foundation - Eat Well & Be Fit	20,000	20,000	
Recreation Opportunities for Individuals with Disabilities	20,000	20,000	
Safe and Secure Communities Program	60,000	60,000	
Local Arts Program Grant	2,125	2,125	
Department of Transportation -			
Berkeley Avenue	490,900	490,900	
Pedestrian Safety Education and Enforcement	20,000	20,000	
Drive Sober or Get Pulled Over - 2018 Year End Crackdown	5,500	5,500	
Drunk Driving Enforcement Fund	10,068	10,068	
Summer Expansion Grant	7,080	7,080	

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2018

Municipal Alliance on Alcoholism and Drug Abuse	35,000	35,000	
Bulletproof Vest Partnership Program	10,382	10,382	
AARP - Improved Walkability Among the Community	10,000	10,000	
Clean Communities Grant	75,965	75,965	
Child Health - Lead Grant	250,000	250,000	
Sustainable New Jersey Grant	10,000	10,000	
U Drive, U Text, U Pay	6,600	6,600	
Uniform Fire Safety Act			
Cable Television Franchise Fee	677,170	677,170	
Sewer User Fees - Passaic Valley Sewerage Commission	45,000	72,024	27,024
Payment in Lieu of Taxes:			
Felicity Towers	185,000	193,749	8,749
Kinder Towers	74,000	75,613	1,613
Oakes Pond	269,000	812,507	543,507
The Green	309,700	309,700	
COPS in School - Prior Year	185,000		(185,000)
Reimbursement from Community Development	60,000	60,000	
Section 8 Housing Program - Reimbursement for			
Prior Years Office Space Rental	118,000	118,000	
Total Miscellaneous Revenues	13,659,685	14,461,471	801,786
Receipts from Delinquent Taxes	2,500,000	2,596,507	96,507
Subtotal General Revenues	22,309,685	23,207,978	898,293
Amount to be Raised by Taxes for Support of			
Municipal Budget - Local Tax for Municipal			
Purposes Including Reserve for Uncollected Taxes	61,122,634	63,186,831	2,064,197
Budget Totals	83,432,319	86,394,809	2,962,490
Non-Budget Revenue		669,373	669,373
	\$ 83,432,319	87,064,182	3,631,863
Adopted Budget	83,005,404		
Added by: N.J.S.A. 40A:4.87	426,915		
	\$ 83,432,319		

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2018

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 158,043,199
Less: Reserve for Tax Appeals Pending	
Allocated to Municipal Open Space	202,141
Allocated to Special Improvement District	366,444
Allocated to County and Local and Regional School Taxes	<u>98,722,676</u>
Balance for Support of Municipal Budget Appropriations	58,751,938
Add : Appropriation - Reserve for Uncollected Taxes	<u>4,434,893</u>
Amount for Support of Municipal Budget Appropriations	\$ <u><u>63,186,831</u></u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	2,595,757
Senior Citizen and Veteran Deductions Allowed	750
	\$ <u><u>2,596,507</u></u>

TOWNSHIP OF BLOOMFIELD, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2018

Analysis of Non-budget Revenues

Advertising	\$ 7,668
Housing Inspections	7,662
Carfax	4,285
CCTMPA LLC	22,240
PILOT - Park Avenue	21,388
Constable Fees	50
Earth Machines	385
PILOT - Orange Street	53,963
PILOT - Heritage Village	17,139
Miscellaneous	29,125
Miscellaneous Prior Year Refunds	18,649
FEMA Reimbursement - Severe Winter Storm	93,049
Municipal Court Miscellaneous	12,284
Sale of Assets	634
Jury Duty	28
Outside Duty Administrative Fees	153,771
Passaic Valley	1,070
Restitution	2,468
Scrap Metal	2,396
Prior Year Overtime	14,000
Towing	16,917
Transfirst	184,202
Glen Ridge Street Sweeping	6,000
	<hr/>
	\$ <u>669,373</u>
 <u>Collected by:</u>	
Treasurer	626,218
Tax Collector	43,155
	\$ <u>669,373</u>

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
General Government:				
Administrative and Executive:				
Salaries and Wages				
Mayor and Council	\$ 40,500	40,500	40,500	
Township Administrator's Office	270,500	270,500	249,481	21,019
Municipal Clerk's Office	225,000	225,000	212,471	12,529
Other Expenses				
Mayor and Council	12,775	12,775	3,289	9,486
Township Administrator's Office	110,900	110,900	99,666	11,234
Municipal Clerk's Office	83,000	93,000	86,254	6,746
Department of Assessment				
Salaries and Wages	190,000	190,000	178,792	11,208
Other Expenses	110,000	110,000	50,184	59,816
Department of Finance:				
Salaries and Wages:				
Division of Revenue	112,000	112,000	109,264	2,736
Division of Accounts and Controls	255,500	255,500	244,681	10,819
Other Expenses				
Division of Revenue	14,350	14,350	7,010	7,340
Division of Accounts and Controls	130,000	130,000	70,702	59,298
Annual Audit	80,000	80,000	450	79,550
Department of Law:				
Salaries and Wages	195,000	195,000	180,325	14,675
Other Expenses	580,000	630,000	581,866	48,134
Department of Information Systems:				
Salaries and Wages	160,000	160,000	122,612	37,388
Other Expenses	450,000	450,000	423,136	26,864
Historic District:				
Salaries and Wages	12,000	12,000	904	11,096
Other Expenses	20,000	20,000	940	19,060

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Rent Leveling				
Salaries and Wages	20,000	20,000	47	19,953
Other Expenses	30,000	30,000	1,773	28,227
Postage and Office Supplies:				
Other Expenses	295,000	255,000	222,487	32,513
Cable Television Committee:				
Other Expenses	120,000	120,000	90,268	29,732
Division of Engineering:				
Salaries and Wages	180,000	180,000	173,703	6,297
Other Expenses	29,400	29,400	25,442	3,958
Department of Planning:				
Salaries and Wages	79,000	79,000	74,456	4,544
Other Expenses	34,000	48,000	47,864	136
Housing Inspections:				
Salaries and Wages	350,000	265,000	210,677	54,323
Other Expenses	20,000	20,000	8,065	11,935
Insurance:				
General Liability	50,000	50,000		50,000
Workers Compensation	250,000	350,000	84,049	265,951
Group Insurance for Employees	14,525,000	14,625,000	13,456,472	1,168,528
Health Benefit Waiver	200,000	200,000	200,000	
Bonds and Other Insurance Premiums	775,000	775,000	744,548	30,452
Public Safety:				
Police Department:				
Salaries and Wages	15,245,650	15,324,650	14,908,558	416,092
Other Expenses	495,000	549,000	414,842	134,158
Communication Center:				
Salaries and Wages	820,000	760,000	715,653	44,347
Other Expenses	30,000	30,000	28,332	1,668

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Emergency Management:				
Other Expenses	19,100	19,100	14,305	4,795
Fire Department:				
Salaries and Wages	9,571,300	9,571,300	8,847,628	723,672
Other Expenses	168,250	183,250	175,985	7,265
Community Ambulance:				
Other Expenses	49,000	49,000	49,000	
Municipal Court				
Administration of Court:				
Salaries and Wages	685,000	655,000	617,097	37,903
Other Expenses	50,000	50,000	30,095	19,905
Public Defender:				
Salaries and Wages	100	100		100
Other Expenses	80,000	80,000	74,137	5,863
Public Works:				
Division of Electrical Services:				
Salaries and Wages	208,500	208,500	199,812	8,688
Other Expenses	5,000	5,000	5,000	
Public Buildings and Grounds:				
Salaries and Wages	81,000	81,000	77,131	3,869
Other Expenses	130,000	130,000	126,015	3,985
Service Buildings:				
Salaries and Wages	413,000	363,000	258,075	104,925
Other Expenses	540,000	540,000	539,879	121
Road Repairs and Maintenance:				
Salaries and Wages	300,000	300,000	150,229	149,771
Other Expenses	200,000	200,000	199,468	532
Sewer Maintenance:				
Salaries and Wages	310,000	310,000	302,455	7,545
Other Expenses	15,000	15,000	14,022	978

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Care of Shade Trees and Greens:				
Salaries and Wages	410,000	410,000	403,174	6,826
Other Expenses	36,000	36,000	19,788	16,212
Snow Removal:				
Salaries and Wages	25,000	150,000	(1,649)	151,649
Other Expenses	10,000	10,000		10,000
Parks and Playgrounds:				
Salaries and Wages	666,000	666,000	630,167	35,833
Other Expenses	15,000	15,000	10,484	4,516
Health and Welfare:				
Division of Health:				
Salaries and Wages	1,439,000	1,439,000	1,220,199	218,801
Other Expenses	96,000	96,000	64,328	31,672
Division of Human Services:				
Salaries and Wages	405,000	335,000	289,965	45,035
Other Expenses	25,000	25,000	19,298	5,702
Animal Control:				
Other Expenses	150,000	150,000		150,000
Division of Health - Cancer Screening Program				
Salaries and Wages	13,397	13,397	13,397	
Environmental Protection Programs:				
Salaries and Wages	23,965	23,965	23,965	
Rodent Control				
Other Expenses	16,400	26,400	15,600	10,800
Heritage Village - Case Manager Service				
Salaries and Wages	15,000	15,000	15,000	
Recreation and Education				
Department of Recreation:				
Salaries and Wages	494,000	494,000	428,579	65,421
Other Expenses	55,000	55,000	49,649	5,351

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Celebration of Public Events:				
Salaries and Wages	20,000	20,000	20,000	
Other Expenses	30,000	30,000	29,925	75
Senior Citizens' Transportation:				
Salaries and Wages	192,000	177,000	157,450	19,550
Unclassified				
Gasoline	310,000	330,000	325,567	4,433
Fuel Oil	10,000	10,000	4,233	5,767
Electricity	475,000	475,000	282,455	192,545
Telephone	190,000	190,000	159,155	30,845
Street Lighting	565,000	565,000	197,676	367,324
Recycling Act and Sanitary Landfill Closure Fund	650,000	650,000	455,968	194,032
Garbage and Trash Removal	3,600,000	3,450,000	3,333,789	116,211
Telecommunications	120,000	120,000	86,862	33,138
Terminal Leave	100	100		100
Revaluation of Real Property		1,500,000	1,500,000	
Uniform Construction Code:				
Construction Code Official:				
Salaries and Wages	620,000	540,000	488,034	51,966
Other Expenses	95,000	95,000	52,915	42,085
Total Operations within "CAPS"	<u>60,196,687</u>	<u>61,693,687</u>	<u>56,046,069</u>	<u>5,647,618</u>
Total Operations Including Contingent-within "CAPS"	<u>60,196,687</u>	<u>61,693,687</u>	<u>56,046,069</u>	<u>5,647,618</u>
Detail:				
Salaries & Wages	34,047,412	33,861,412	31,562,832	2,298,580
Other Expenses (Including Contingent)	26,149,275	27,832,275	24,483,237	3,349,038

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

Current Fund				
Year Ended December 31, 2018				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"				
(2) STATUTORY EXPENDITURES:				
Contribution to:				
Public Employees' Retirement System	1,305,552	1,305,552	1,305,551	1
Social Security System (O.A.S.I.)	1,300,000	1,300,000	1,172,127	127,873
Consolidated Police and Firemen's Pension Fund	10,810	10,810	10,807	3
Police and Firemen's Retirement System of NJ	5,218,343	5,218,343	5,218,343	
Unemployment Compensation Insurance	25,000	25,000		25,000
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	7,859,705	7,859,705	7,706,828	152,877
Total General Appropriations for Municipal Purposes within "CAPS"	68,056,392	69,553,392	63,752,897	5,800,495
Operations - Excluded from "CAPS":				
Maintenance of Free Public Library	1,515,635	1,515,635	1,515,621	14
Operation and Maintenance of Outlet Sewers:				
Third River Joint Meeting	1,726	1,726	1,725	1
Passaic Valley Sewerage Commission	3,474,837	3,477,837	3,477,836	1
Township of Nutley	66,000	66,000	65,771	229
Second River Joint Meetings	43,000	43,000	42,663	337
School Board Elections				
Salaries and Wages	2,200	2,200		2,200
Other Expenses	800	800		800
Tax Appeals Pending	100	100		100
Total Other Operations - Excluded from "CAPS"	5,104,298	5,107,298	5,103,616	3,682

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

Current Fund				
Year Ended December 31, 2018				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Shared Service Agreements				
Board of Health:				
Health Services - Bloomfield Board of Education Nursing				
Salaries and Wages	28,515	28,515	28,515	
Other Expenses	100	100	100	
Health Services - Caldwell:				
Other Expenses	55,868	55,868	6,078	49,790
Health Services - Glen Ridge				
Salaries and Wages	28,107	28,107	28,107	
Health Services - Madison				
Salaries and Wages	132,070	132,070	132,070	
Other Expenses	10,000	10,000		10,000
Health Services - Lincoln Park				
Salaries and Wages	18,035	18,035	18,035	
Public Safety Department - School Security				
Salaries and Wages	195,000	195,000	195,000	
Animal Control - Contractual				
Borough of Caldwell	14,496	14,496	14,496	
Borough of Glen Ridge	15,572	15,572	15,572	
Total Interlocal Municipal Service Agreements	497,763	497,763	437,973	59,790
Public and Private Programs Offset by Revenues				
Clean Communities	75,965	75,965	75,965	
Drunk Driving Enforcement Fund (DWF)	10,068	10,068	10,068	
Essex County Division on Aging Title 3 - Visiting Nurses	22,594	22,594	22,594	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share	35,000	35,000	35,000	
Local Match	8,000	8,000	8,000	
Child Health - Lead Grant	250,000	250,000	250,000	

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

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Child Health - Lead Grant	150,784	150,784	150,784	
ARP - Improved Walkability Among the Community	10,000	10,000	10,000	
Pedestrian Safety Education and Enforcement	20,000	20,000	20,000	
Drive Sober or Get Pulled Over - Year End Crackdown	5,500	5,500	5,500	
Local Arts Program	2,125	2,125	2,125	
Local Arts Program - Match	1,063	1,063	1,063	
Safe and Secure Neighborhoods - Police Salaries and Wages	60,000	60,000	60,000	
Body Armor Replacement Program	10,382	10,382	10,382	
Social Services and Training - 2018	104,560	104,560	104,560	
Sustainable New Jersey	10,000	10,000	10,000	
Summer Expansion	7,080	7,080	7,080	
NJDOT Municipal Aid - Berkeley Ave	490,900	490,900	490,900	
Partners for Health Foundation - Healthy Stores, Healthy Kids	20,000	20,000	20,000	
Recreational Opportunities for Individuals with Disabilities:				
State Share	20,000	20,000	20,000	
Local Match	4,000	4,000	4,000	
Udrive, Utext, U Pay	6,600	6,600	6,600	
Total Public and Private Programs Offset by Revenues	1,324,621	1,324,621	1,324,621	
Total Operations-Excluded from "CAPS"	6,926,682	6,929,682	6,866,210	63,472
Detail:				
Salaries and Wages	493,995	493,995	491,795	2,200
Other Expenses	6,432,687	6,435,687	6,374,415	61,272
Capital Improvements - Excluded from "CAPS"				
Capital Improvement Fund	325,000	325,000	325,000	
Total Capital Improvements Excluded from "CAPS"	325,000	325,000	325,000	

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

Current Fund				
Year Ended December 31, 2018				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Municipal Debt Service - Excluded from "CAPS"				
Payment of Bond Principal	1,760,000	1,760,000	1,760,000	
Payment of Bond Anticipation Notes and Capital Notes	553,658	553,658	553,658	
Interest on Bonds	808,081	808,081	808,081	
Interest on Notes	525,457	525,457	525,457	
Green Trust Loan Program:				
Loan Repayments for Principal and Interest	42,156	42,156	42,156	
Total Municipal Debt Service-Excluded from "CAPS"	3,689,352	3,689,352	3,689,352	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	10,941,034	10,944,034	10,880,562	63,472
Subtotal General Appropriations	78,997,426	80,497,426	74,633,459	5,863,967

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

Current Fund			
Year Ended December 31, 2018			
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u> <u>Reserved</u>
Reserve for Uncollected Taxes	4,434,893	4,434,893	4,434,893
Total General Appropriations	<u>\$ 83,432,319</u>	<u>84,932,319</u>	<u>79,068,352</u> <u>5,863,967</u>
<div> <div> Adopted Budget \$ 83,005,404 Added by 40A:4-87 426,915 Special Emergency 1,500,000 </div> <div> \$ <u>84,932,319</u> </div> </div>			
Reserve for Uncollected Taxes \$			4,434,893
Federal and State Grant Fund			1,324,621
Interfunds			946,148
Encumbrances			812,694
Cash			71,549,996
			<u>\$ 79,068,352</u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash - Treasurer	B-1	\$ 176,841	228,592
Cash - Collector	B-2	<u>3,859</u>	<u>9,796</u>
		<u>180,700</u>	<u>238,388</u>
Other Trust Funds:			
Cash - Treasurer	B-1	6,819,603	10,876,085
Cash - Collector	B-2	80,964	207,395
Interfund Accounts Receivable	B-4	241,988	823,995
Grants Receivable	B-5	1,815,427	1,583,509
Elevator Inspection Fees Receivable	B-7	<u>17,755</u>	<u>17,755</u>
		<u>8,957,982</u>	<u>13,508,739</u>
		\$ <u>9,138,682</u>	<u>13,747,127</u>

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-3	\$	35
Interfund Payable - Current Fund	B-4	63,893	114,836
Reserve for Restricted Donations	B-7	37,475	37,475
Reserve for Animal Trust Fund Expenditures	B-6	79,332	86,042
		<u>180,700</u>	<u>238,388</u>
Other Trust Fund:			
Due to State of New Jersey	B-3	20,658	21,358
Interfund Accounts Payable	B-4	268,388	470,141
Payroll Deductions Payable	B-9		1,987,057
Reserve for Expenditures	B-10	6,478,536	9,011,053
Reserve for Grant Expenditures	B-11	2,190,400	2,019,130
		<u>8,957,982</u>	<u>13,508,739</u>
		\$ <u>9,138,682</u>	<u>13,747,127</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 1,232,618	5,307,007
Deferred Charges to Future Taxation:			
Funded	C-4	46,074,681	23,113,271
Unfunded	C-5	46,652,259	46,599,506
Grants Receivable	C-6	4,755,746	
Interfunds Receivable	C-7		678
		<u>\$ 98,715,304</u>	<u>75,020,462</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-7	\$	525,000
General Serial Bonds	C-8	45,653,000	22,655,000
NJ Green Trust Loans Payable	C-9	421,681	458,271
Bond Anticipation Notes Payable	C-10	13,731,000	39,087,247
Improvement Authorizations:			
Funded	C-11	1,658,210	146,220
Unfunded	C-11	31,519,477	11,635,497
Capital Improvement Fund	C-12	24,669	7,669
Reserve for Grants Receivable	C-13	4,755,746	
Fund Balance	C-1	<u>951,521</u>	<u>505,558</u>
		<u>\$ 98,715,304</u>	<u>75,020,462</u>

There were \$ 32,921,259 and \$7,512,259 of Bonds and Notes Authorized But Not Issued on, December 31, 2018 and 2017 respectively (Exhibit C-14).

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Balance - December 31, 2017	\$ 505,558	745,949
Increased By:		
Premiums Received:		
Sale of Bond Anticipation Notes	183,362	
Sale of General Improvement Bonds	<u>307,190</u>	<u>259,609</u>
	490,552	259,609
	996,110	1,005,558
Decreased By:		
Paydown on Bond Anticipation Notes	44,589	
Down Payment on Improvement Authorization	<u>44,589</u>	<u>500,000</u>
	44,589	500,000
Balance - December 31, 2018	<u>\$ 951,521</u>	<u>505,558</u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2018 and 2017

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Water Utility Operating Fund:			
Cash	D-5	\$ 5,239,845	5,194,810
Change Fund	D-7	200	200
Interfunds Receivable	D-8	<u>10,680</u>	<u>10,680</u>
		<u>5,250,725</u>	<u>5,205,690</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	<u>1,479,571</u>	<u>1,287,629</u>
Total Water Utility Operating Fund		<u>6,730,296</u>	<u>6,493,319</u>
Capital Fund:			
Cash	D-5,D-6	467,969	2,061,621
Fixed Capital	D-10	18,423,788	18,423,788
Fixed Capital Authorized and Uncompleted	D-11	11,357,000	11,357,000
Interfund Receivable	D-12	<u>1</u>	<u>879</u>
Total Capital Fund		<u>30,248,758</u>	<u>31,843,288</u>
		<u>\$ 36,979,054</u>	<u>38,336,607</u>

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-13	\$ 877,156	1,107,909
Reserve for Encumbrances	D-4,D-13	93,932	51,113
Interfund Accounts Payable	D-8	1	357,422
Overpayments	D-14	102,293	124,205
Accounts Payable	D-15	206,238	205,547
Accrued Interest on Bonds	D-16	70,839	2,125
Accrued Interest on Notes	D-17		68,714
		<u>1,350,459</u>	<u>1,917,035</u>
Reserve for Receivables		1,479,571	1,287,629
Fund Balance	D-2	<u>3,900,266</u>	<u>3,288,655</u>
Total Water Utility Operating Fund		<u>6,730,296</u>	<u>6,493,319</u>
Capital Fund:			
Serial Bonds Payable	D-18	5,982,000	895,000
Bond Anticipation Notes Payable	D-19		5,387,753
Improvement Authorizations:			
Funded	D-20	600,935	176,400
Unfunded	D-20	3,485,373	5,586,634
Capital Improvement Fund	D-21	250	250
Reserve for Amortization	D-22	19,693,796	19,393,043
Deferred Reserve for Amortization	D-23	271,440	271,440
Fund Balance	D-1	<u>214,964</u>	<u>132,768</u>
Total Capital Fund		<u>30,248,758</u>	<u>31,843,288</u>
		<u>\$ 36,979,054</u>	<u>38,336,607</u>

There were \$3,833,552 and \$3,833,552 of Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017 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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Balance, December 31	\$ 132,768	98,054
Increased By:		
Interfund - Premium	<u>82,949</u>	<u>34,714</u>
	215,717	132,768
Decreased By:		
Utilized as Paydown on Notes	<u>753</u>	<u> </u>
Balance, December 31	<u>\$ 214,964</u>	<u>132,768</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 2,692,783	2,500,000
Water Rents	7,952,647	7,644,824
Miscellaneous Revenue	221,831	191,015
Miscellaneous Revenue Not Anticipated		
Water Capital Interest Earnings	13,106	
Water Operating Interest Earnings	93,412	
Other	1,458	
Unexpended Balance of Appropriation Reserves	<u>721,940</u>	<u>494,084</u>
Total Revenue and Other Income	<u>11,697,177</u>	<u>10,829,923</u>
Expenditures:		
Operating	7,791,686	7,272,986
Debt Service	425,097	497,014
Deferred Charges and Statutory Expenditures	<u>176,000</u>	<u>180,000</u>
Total Expenditures	<u>8,392,783</u>	<u>7,950,000</u>
Excess(Deficit) in Revenues	3,304,394	2,879,923
Statutory Excess to Surplus	3,304,394	2,879,923
Fund Balance, January 1	<u>3,288,655</u>	<u>2,908,732</u>
	6,593,049	5,788,655
Decreased by:		
Anticipated as Current Fund Revenue	<u>2,692,783</u>	<u>2,500,000</u>
Balance, December 31	<u>\$ 3,900,266</u>	<u>3,288,655</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus Anticipated	\$ 2,692,783	2,692,783	
Water Rents	7,575,000	7,952,647	377,647
Miscellaneous	<u>125,000</u>	<u>221,831</u>	<u>96,831</u>
	<u>\$ 10,392,783</u>	<u>10,867,261</u>	<u>474,478</u>

Analysis of Realized Revenue

Rents	7,832,154
Overpayments Applied	<u>120,493</u>
	<u>\$ 7,952,647</u>
Interest on Water Bills	105,881
Water Fines	72,188
Meter Sales	15,575
Sprinklers/Pipelines	21,273
Other Miscellaneous	<u>6,914</u>
	<u>\$ 221,831</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2018

	Appropriations				
	Budget	Budget After Modifi- cation	Paid or Charged	Reserved	Canceled
Operating:					
Salaries and Wages	\$ 3,000,000	3,000,000	2,408,805	591,195	
Other Expenses	640,792	640,792	526,739	114,053	
Purchase of Water	2,880,000	2,880,000	744,262	135,738	2,000,000
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	900,000	900,000	900,000		
Liability Insurance	1,000	1,000		1,000	
Worker's Compensation Insurance	1,000	1,000		1,000	
Total Operating	9,791,686	9,791,686	6,948,700	842,986	2,000,000
Debt Service:					
Payment of Bond Principal	300,000	300,000	300,000		
Payment of Bond Anticipation and Capital Notes					
Interest on Bonds	29,800	29,800	29,800		
Interest on Bond Anticipation Notes	95,297	95,297	95,297		
Total Debt Service	425,097	425,097	425,097		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	175,000	175,000	141,830	33,170	
Unemployment Compensation Insurance	1,000	1,000		1,000	
Total Deferred Charges and Statutory Expenditures	176,000	176,000	141,830	34,170	
	\$ 10,392,783	10,392,783	7,515,627	877,156	2,000,000
			Cash Disbursed \$	6,609,291	
			Reserve for Encumbrances	93,932	
			Interfunds	687,307	
			Accrued Interest on Bonds	29,800	
			Accrued Interest on Notes	95,297	
			\$	7,515,627	

See accompanying notes to financial statements.

Exhibit E**TOWNSHIP OF BLOOMFIELD****Balance Sheet - Regulatory Basis****Parking Utility Fund****December 31, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 3,608,830	1,894,886
Interfunds Receivable	E-7	<u>1,360</u>	<u>1,360</u>
Total Parking Utility Operating Fund		<u>3,610,190</u>	<u>1,896,246</u>
Capital Fund:			
Cash	E-5,E-6	630,962	1,071,074
Fixed Capital	E-8	22,921,782	22,921,782
Fixed Capital Authorized and Uncompleted	E-9	<u>4,000,000</u>	
Total Parking Capital Fund		<u>27,552,744</u>	<u>23,992,856</u>
		<u>\$ 31,162,934</u>	<u>25,889,102</u>

Exhibit E**TOWNSHIP OF BLOOMFIELD****Balance Sheet - Regulatory Basis****Parking Utility Fund****December 31, 2018 and 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	E-4/E-11	\$ 727,545	159,862
Reserve for Encumbrances	E-4/E-12	151,141	28,519
Interfund Accounts Payable	E-7	479,352	6,000
Accrued Interest on Notes	E-14	20,335	20,335
		<u>1,378,373</u>	<u>214,716</u>
Fund Balance	E-1	<u>2,231,817</u>	<u>1,681,530</u>
Total Parking Utility Operating Fund		<u>3,610,190</u>	<u>1,896,246</u>
Capital Fund:			
Serial Bonds Payable	E-15	12,480,000	12,480,000
Bond Anticipation Notes Payable	E-16	6,040,000	6,040,000
Improvement Authorizations:			
Funded	E-17	55,847	55,847
Unfunded	E-17	4,000,000	
Interfund Payable	E-10	1,360	1,360
Reserve for Amortization	E-18	4,401,782	4,401,782
Reserve for Lot Sale Proceeds	E-19		350,000
Reserve for Escrow	E-20	530,519	620,631
Fund Balance	E-2	43,236	43,236
Total Parking Utility Capital Fund		<u>27,552,744</u>	<u>23,992,856</u>
		<u>\$ 31,162,934</u>	<u>25,889,102</u>

There were \$4,000,000 and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2018 and December 31, 2017 respectively (Exhibit E-21).

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Operations and Changes in
Fund Balance - Regulatory Basis

Parking Utility Operating Fund

For the Year ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income:		
Parking Meter	\$ 879,437	1,043,356
Parking Permit Revenue	534,532	
Violations	360,000	
PILOT Revenue	426,709	2,372
Miscellaneous	137,421	240,581
Unexpended Balance of Appropriation Reserves	138,593	94,793
	<u>2,476,692</u>	<u>1,381,102</u>
Total Revenue and Other Income		
Expenditures:		
Operating	1,254,232	293,734
Debt Service	629,789	583,892
Deferred Charges and Statutory Expenditures	42,384	10,200
	<u>1,926,405</u>	<u>887,826</u>
Total Expenditures		
Excess(Deficit) in Revenues	550,287	493,276
Fund Balance, Transferred via Dissolution of Parking Authority		<u>1,188,254</u>
Fund Balance, January 1	<u>1,681,530</u>	
Balance, December 31,	<u>\$ 2,231,817</u>	<u>1,681,530</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Changes in Fund Balance - Regulatory Basis

Parking Utility Capital Fund

For the Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Balance, December 31	\$ <u>43,236</u>	<u> </u>
Increased By:		
Transferred via Dissolution of Parking Authority	<u> </u>	<u>43,236</u>
Balance, December 31	\$ <u><u>43,236</u></u>	<u><u>43,236</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Statement of Revenues - Regulatory Basis

Parking Utility Operating Fund

Year ended December 31, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Parking Meter	\$ 781,870	879,437	97,567
Parking Permit Revenue	607,000	534,532	(72,468)
Violations	222,500	360,000	137,500
PILOT Revenue	318,726	426,709	107,983
Miscellaneous		137,421	137,421
	<u>\$ 1,930,096</u>	<u>2,338,099</u>	<u>408,003</u>

Analysis of Realized Revenue

Parking Meter	879,437
Parking Permit Revenue	534,532
Violations	360,000
PILOT Revenue	426,709
	<u>\$ 2,200,678</u>
Interest on Investments	28,938
Inactive Capital Accounts closed to Operating	99,083
Prior Year Void Checks	9,400
	<u>\$ 137,421</u>

TOWNSHIP OF BLOOMFIELD

Statement of Expenditures - Regulatory Basis

Parking Utility Operating Fund

Year ended December 31, 2018

	Appropriations				
	Budget	Budget After Modifi- cation	Paid or Charged	Reserved	Canceled
Operating:					
Salaries and Wages	\$ 89,000	89,000	89,000		
Other Expenses	1,122,920	1,122,920	431,231	691,689	
Group Insurance for Employees	29,200	29,200		29,200	
Maintenance of Vehicles	13,112	13,112	6,456	6,656	
Total Operating	1,254,232	1,254,232	526,687	727,545	
Debt Service:					
Interest on Bonds	574,726	574,726	571,035		3,691
Interest on Bond Anticipation Notes	58,754	58,754	58,754		
Total Debt Service	633,480	633,480	629,789		3,691
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to: Public Employees' Retirement System	42,384	42,384	42,384		
Total Deferred Charges and Statutory Expenditures	42,384	42,384	42,384		
	<u>\$ 1,930,096</u>	<u>1,930,096</u>	<u>1,198,860</u>	<u>727,545</u>	<u>3,691</u>
			Cash Disbursed \$ 328,930		
			Reserve for Encumbrances 151,141		
			Interfunds 89,000		
			Accrued Interest on Bonds 571,035		
			Accrued Interest on Notes 58,754		
			<u>\$ 1,198,860</u>		

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash - Payroll Agency	\$ 2,862,427	
Cash - Net Payroll	7,147	
Due from Unemployment Trust Fund	<u>7,787</u>	<u> </u>
	<u>\$ 2,877,361</u>	<u> </u>
<u>Reserves</u>		
Due to Health Care Claims Trust Fund	\$ 17,224	
Due to Current Fund - Net Payroll	4,347	
Due to Current Fund - Payroll Agency	478,447	
Reserve for:		
Net Payroll	2,800	
Payroll Deductions and Withholdings	<u>2,374,543</u>	<u> </u>
	<u>\$ 2,877,361</u>	<u> </u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>General Fixed Assets:</u>		
Land & Buildings	\$ 30,582,851	30,582,851
Furniture and Fixtures	514,135	489,620
Vehicles	6,727,836	6,522,836
Machinery and Equipment	<u>7,086,465</u>	<u>5,751,435</u>
	<u>\$ 44,911,287</u>	<u>43,346,742</u>
 Investment in Fixed Assets	 <u>\$ 44,911,287</u>	 <u>43,346,742</u>

See accompanying notes to financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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, 2018 and 2017
(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, 2018 and 2017
(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.

Parking Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the parking department.

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

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

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

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

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

Basis of Accounting, (continued)

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.

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
- Parking 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, 2018 and 2017
(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, 2018 and 2017, the Governing Body approved additional revenues and appropriations of \$426,915 and \$2,777,732, respectively, in accordance with N.J.S.A. 40A:4-87 and a special emergency appropriation of \$1,500,000 for a revaluation of real property. In addition, several budget transfers were approved by the Governing Body in 2018 and 2017.

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, 2018 and 2017
(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 and Parking Utility Funds are capitalized as Fixed Capital and not depreciated.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Township adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment 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. As a result of adopting this Statement, the Township was required to measure

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

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

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

Basis of Accounting, (continued)

and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Township.

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 New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2018 and 2017, \$-0- of the Township's bank balance of \$46,735,649 and \$62,984,952, 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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

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

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 liability activity for the years ended December 31, 2018 and 2017 were as follows:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital Fund	\$22,655,000	\$24,758,000	\$1,760,000	\$45,653,000	\$2,505,000
Water Capital Fund	895,000	5,387,000	300,000	5,982,000	300,000
Parking Utility Capital Fund	<u>12,480,000</u>			<u>12,480,000</u>	<u>5,000</u>
Total Bonds Payable	<u>36,030,000</u>	<u>30,145,000</u>	<u>2,060,000</u>	<u>64,115,000</u>	<u>2,810,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	1,163,421		193,705	969,716	211,837
Green Acres Trust Loan Payable	458,271		36,590	421,681	37,099
Compensated Absences Payable	<u>4,719,361</u>		<u>513,883</u>	<u>4,205,478</u>	
Total Other Liabilities	<u>6,341,053</u>	<u>0</u>	<u>744,178</u>	<u>5,596,875</u>	<u>248,936</u>
	<u>\$42,371,053</u>	<u>\$30,145,000</u>	<u>\$2,804,178</u>	<u>\$69,711,875</u>	<u>\$3,058,936</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance Dec. 31, 2016	Additions	Reductions	Balance Dec. 31, 2017	Amounts Due Within One Year
Bonds Payable:					
General Capital	\$24,385,000	\$	\$1,730,000	\$22,655,000	\$1,760,000
Water Capital	1,170,000		275,000	895,000	300,000
Parking Utility Capital		<u>12,480,000</u>		<u>12,480,000</u>	
Total Bonds Payable	<u>25,555,000</u>	<u>12,480,000</u>	<u>2,005,000</u>	<u>36,030,000</u>	<u>2,060,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	1,337,418		173,997	1,163,421	193,705
Green Acres Preservation Loans	494,359		36,088	458,271	36,590
Compensated Absences Payable	<u>3,469,641</u>	<u>2,024,043</u>	<u>774,323</u>	<u>4,719,361</u>	
Total Other Liabilities	<u>5,301,418</u>	<u>2,024,043</u>	<u>984,408</u>	<u>6,341,053</u>	<u>230,295</u>
	<u>\$30,856,418</u>	<u>\$14,504,043</u>	<u>\$2,989,408</u>	<u>\$42,371,053</u>	<u>\$2,290,295</u>

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 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$59,805,681	\$62,200,518	\$59,237,365
Parking Utility - Bonds, Notes and Loans	18,520,000	18,520,000	
Water Utility - Bonds, Notes and Loans	<u>5,982,000</u>	<u>6,282,753</u>	<u>6,611,977</u>
	<u>84,307,681</u>	<u>87,003,271</u>	<u>65,849,342</u>
<u>Authorized But Not Issued</u>			
General - Bonds, Notes and Loans	32,921,259	7,512,259	19,023,506
Parking Utility - Bonds, Notes and Loans	4,000,000		
Water Utility - Bonds, Notes and Loans	<u>3,833,552</u>	<u>3,833,552</u>	<u>719,305</u>
	<u>40,754,811</u>	<u>11,345,811</u>	<u>19,742,811</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	125,062,492	98,349,082	85,592,153
Less: Deductions	<u> </u>	<u> </u>	<u> </u>
Net Debt	<u>\$125,062,492</u>	<u>\$98,349,082</u>	<u>\$85,592,153</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.04% for 2018.

	Gross Debt	Deductions	Net Debt
School District Debt	\$20,020,000	\$20,020,000	\$0
General Debt	92,726,940		92,726,940
Water Utility Debt	9,815,552	9,815,552	0
Parking Utility Debt	22,520,000	22,520,000	0
	<u>\$145,082,492</u>	<u>\$52,355,552</u>	<u>\$92,726,940</u>

Net debt of \$92,726,940 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$4,541,068,328 equals 2.04%.

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 1.59% for 2017.

	Gross Debt	Deductions	Net Debt
School District Debt	\$22,360,000	\$22,360,000	\$0
Water Utility	10,116,305	10,116,305	0
Parking Utility	18,520,000	18,520,000	0
General Debt	69,712,777		69,712,777
	<u>\$120,709,082</u>	<u>\$50,996,305</u>	<u>\$69,712,777</u>

Net debt of \$69,712,777 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$4,372,093,913 equals 1.59%.

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

	<u>2018</u>	<u>2017</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$158,937,391	\$153,023,287
Net Debt	<u>92,726,940</u>	<u>69,712,777</u>
Remaining Borrowing Power	<u>\$66,210,451</u>	<u>\$83,310,510</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2018</u>	<u>2017</u>
Cash receipts from fees, rents or other charges for year	\$10,975,237	\$10,335,839
Deductions:		
Operating and Maintenance Cost	7,967,686	7,452,986
Debt Service per Water and Sewer Account	<u>425,097</u>	<u>497,014</u>
Total Deductions	<u>8,392,783</u>	<u>7,950,000</u>
Excess in Revenue - Self-Liquidating	<u><u>\$2,582,454</u></u>	<u><u>\$2,385,839</u></u>

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

	<u>2018</u>
Cash receipts from fees, rents or other charges for year	\$2,338,099
Deductions:	
Operating and Maintenance Cost	1,296,616
Debt Service per Water and Sewer Account	<u>629,789</u>
Total Deductions	<u>1,926,405</u>
Excess in Revenue - Self-Liquidating	<u><u>\$411,694</u></u>

The Township's long-term debt consisted of the following at December 31, 2018 and 2017:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2018</u>	<u>2017</u>
\$4,995,000, 2012A General Improvement Bonds, due in annual installments of \$170,000 to \$330,000 through January 2034, interest at 3.00% to 3.625%	\$3,950,000	\$4,135,000
\$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%	3,655,000	3,775,000
\$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%	4,760,000	4,940,000
\$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%	8,530,000	9,805,000
\$19,950,000, 2018 General Improvement Bonds, due in annual installments of \$555,000 to \$3,210,000 through February 2044, interest at 3.00% to 5.00%	19,950,000	
\$4,808,000, 2018 General Improvement Bonds, due in annual installments of \$135,000 to \$1,108,000 through February 2048, interest at 3.75% to 5.00%	<u>4,808,000</u>	
Total General Serial Bonds	<u><u>45,653,000</u></u>	<u><u>22,655,000</u></u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Water Utility Fund:

<u>Water Utility Serial Bonds:</u>	<u>2018</u>	<u>2017</u>
\$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%	\$595,000	\$895,000
\$5,387,000, 2018 Water Utility Capital Bonds, due in annual installments of \$155,000 to \$307,000 through February 2044, interest at 3.00% to 5.00%	<u>5,387,000</u>	<u>895,000</u>
Total Water Utility Bonds	<u>5,982,000</u>	<u>1,790,000</u>

Paid by Parking Utility Fund:

<u>Parking Utility Revenue Bonds:</u>	<u>2018</u>	<u>2017</u>
\$12,480,000, 2010 Parking Project Revenue Recovery Zone Economic Development Bonds, Series 2010, due in annual installments of \$5,000 to \$1,500,000 through December 2040, interest at variable rates from 7.275% to 8.008%	<u>\$12,480,000</u>	<u>\$12,480,000</u>
Total Parking Utility Bonds	<u>12,480,000</u>	<u>12,480,000</u>
Total Serial Bonds	<u><u>\$64,115,000</u></u>	<u><u>\$36,030,000</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>	
2019	\$2,505,000	\$1,664,854	\$37,099	\$5,056	\$4,212,009
2020	2,560,000	1,565,004	37,620	4,535	4,167,159
2021	2,615,000	1,460,623	38,151	4,004	4,117,778
2022	2,680,000	1,354,470	38,692	3,463	4,076,625
2023	2,690,000	1,246,904	39,245	2,910	3,979,059
2024-2028	8,100,000	5,040,231	169,817	6,207	13,316,255
2029-2033	7,675,000	3,722,063	61,057	214	11,458,334
2034-2038	7,795,000	2,381,560			10,176,560
2039-2040	4,715,000	1,291,303			6,006,303
2041-2044	<u>4,318,000</u>	<u>260,601</u>			<u>4,578,601</u>
	<u>\$45,653,000</u>	<u>\$19,987,613</u>	<u>\$421,681</u>	<u>\$26,389</u>	<u>\$66,088,683</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

<u>Year</u>	<u>Water Utility Capital</u>		
	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$300,000	\$278,773	\$578,773
2020	450,000	201,495	651,495
2021	155,000	187,845	342,845
2022	160,000	179,970	339,970
2023	160,000	171,970	331,970
2024-2028	875,000	740,975	1,615,975
2029-2033	1,005,000	565,456	1,570,456
2034-2038	1,180,000	391,631	1,571,631
2039-2040	1,390,000	176,781	1,566,781
2041-2044	<u>307,000</u>	<u>5,373</u>	<u>312,373</u>
	<u>\$5,982,000</u>	<u>\$2,900,269</u>	<u>\$8,882,269</u>

<u>Year</u>	<u>Parking Utility Capital</u>		
	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$5,000	\$986,584	\$991,584
2020	35,000	986,220	1,021,220
2021	65,000	983,674	1,048,674
2022	95,000	978,945	1,073,945
2023	135,000	972,034	1,107,034
2024-2028	1,340,000	4,648,928	5,988,928
2029-2033	2,855,000	3,922,244	6,777,244
2034-2038	5,085,000	2,454,852	7,539,852
2039-2040	2,865,000	349,549	3,214,549
2041-2044	<u></u>	<u></u>	<u></u>
	<u>\$12,480,000</u>	<u>\$16,283,030</u>	<u>\$28,763,030</u>

General capital, water capital, parking utility 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, 2018 and 2017
(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>2018</u>	<u>2017</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.	\$50,804	\$56,235
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.	13,438	14,788
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.	120,963	133,896
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.	74,032	79,704
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>162,444</u>	<u>173,648</u>
	<u>\$421,681</u>	<u>\$458,271</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.

On December 31, 2018 and 2017, the Township had \$13,731,000 and \$39,087,247, respectively, in outstanding General Capital bond anticipation notes, and \$-0- and \$5,387,753, respectively, in outstanding Water Utility Capital bond anticipation notes. The Township also had \$6,040,000 and \$6,040,000, respectively, in outstanding Parking Utility bond anticipation notes.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2018 and 2017:

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
JP Morgan	\$12,185,000	\$	\$12,185,000	\$
Jefferies LLC	4,808,000	43,921,342	48,729,342	
JP Morgan Securities	<u>22,094,247</u>	<u>13,731,000</u>	<u>22,094,247</u>	<u>13,731,000</u>
	<u>39,087,247</u>	<u>57,652,342</u>	<u>83,008,589</u>	<u>13,731,000</u>
<u>Water Utility Capital Notes Payable:</u>				
JP Morgan	3,250,000		3,250,000	
JP Morgan Securities	<u>2,137,753</u>		<u>2,137,753</u>	
	<u>5,387,753</u>		<u>5,387,753</u>	
<u>Parking Utility Capital Notes Payable:</u>				
Jefferies LLC		6,040,000		6,040,000
Investors Bank	<u>6,040,000</u>		<u>6,040,000</u>	
	<u>\$50,515,000</u>	<u>\$63,692,342</u>	<u>\$94,436,342</u>	<u>\$19,771,000</u>
<u>2017</u>	<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	6,850,000		6,850,000	
JP Morgan	22,636,006	12,185,000	22,636,006	12,185,000
Jefferies LLC	0	4,808,000		4,808,000
JP Morgan Securities	<u>0</u>	<u>22,094,247</u>		<u>22,094,247</u>
	<u>34,358,006</u>	<u>39,087,247</u>	<u>34,358,006</u>	<u>39,087,247</u>
<u>Water Utility Capital Notes Payable:</u>				
JP Morgan	2,191,977	3,250,000	2,191,977	3,250,000
TD Securities LLC	3,250,000		3,250,000	
JP Morgan Securities	<u>0</u>	<u>2,137,753</u>		<u>2,137,753</u>
	<u>5,441,977</u>	<u>5,387,753</u>	<u>5,441,977</u>	<u>5,387,753</u>
<u>Parking Utility Capital Notes Payable:</u>				
Investors Bank		6,040,000		6,040,000
	<u>\$39,799,983</u>	<u>\$50,515,000</u>	<u>\$39,799,983</u>	<u>\$50,515,000</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

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

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
General Capital Fund:			
General Improvements	<u>\$32,921,259</u>	<u>\$7,512,259</u>	<u>\$19,023,506</u>
Water Utility Capital Fund:			
General Improvements	<u>\$3,833,552</u>	<u>\$3,833,552</u>	<u>\$719,305</u>
Parking Utility Capital Fund:			
General Improvements	<u>\$4,000,000</u>	<u>\$</u>	<u>\$</u>

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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Plans, (continued)

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

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 $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Plans, (continued)

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

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 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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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.

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>
2018	\$1,484,588*	\$5,644,021	\$-0-
2017	1,244,165	4,887,284	-0-
2016	1,133,818	4,920,039	-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.

*The Township's contribution to the PERS includes the amount applicable to the Bloomfield Parking Authority which was dissolved on September 13, 2017 and re-established as a Township operated utility.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

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, 2018, the Township had a liability of \$29,387,229 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Township's proportion was .14925328000 percent, which was an increase of 1.0659466300 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Township recognized pension expense of \$1,484,588. At December 31, 2018, 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	\$560,419	\$151,530
Changes of assumptions	4,842,528	9,396,473
Net difference between projected and actual earnings on pension plan investments		275,654
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>3,821,880</u>	<u>50,831</u>
Total	<u>\$9,224,827</u>	<u>\$9,874,488</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(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)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) 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:	
2019	\$203,963
2020	(282,389)
2021	(2,024,957)
2022	(1,755,266)
2023	(562,060)

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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
Township's Proportion	.1492532800%	.1343020435%

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(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)

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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).

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(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)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2018, 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, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
Township's proportionate share of the pension liability	\$36,951,052	\$29,387,229	\$23,041,662

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.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2018, the Township had a liability of \$78,119,079 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Township's proportion was .5773064386 percent, which was an increase of .025082476 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Township recognized pension expense of \$5,644,021. At December 31, 2018, 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	\$794,760	\$323,275
Changes of assumptions	6,705,472	20,020,571
Net difference between projected and actual earnings on pension plan investments		427,382
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>4,743,110</u>	<u>6,687,592</u>
Total	<u>\$12,243,342</u>	<u>\$27,458,820</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) 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:	
2019	\$671,833
2020	(2,264,715)
2021	(6,335,840)
2022	(4,067,175)
2022	(1,275,099)

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (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 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$1,988,215,695	\$2,941,952,753
Collective deferred inflows of resources	4,286,994,294	3,262,432,093
Collective net pension liability	13,531,648,591	17,167,260,198
Township's Proportion	.5773064386%	.5522239628%

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 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	7.00 Percent

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% 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 June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, 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, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (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, 2018, 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, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.51%</u>	<u>6.51%</u>	<u>7.51%</u>
Township's proportionate share of the pension liability	\$118,754,447	\$78,119,079	\$63,965,781

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2018 and 2017, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$10,611,185 and \$9,549,021, respectively. For the years ended December 31, 2018 and 2017, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$1,256,878 and \$1,168,061, respectively, which is more than the actual contributions the State made on behalf of the Township of \$628,438 and \$477,491, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

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.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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.

General Information about the OPEB Plan

The Township provides post-employment medical benefits and prescription drug benefits to eligible retirees. Medical coverage, provided through the Aetna network, is offered to retirees on a self-funded basis administered by Meritain. Four medical plan offerings are available to pre-65 and post-65 retirees including the Traditional plan, a \$5 copay plan, a \$10 copay plan, and a \$5 copay plan for retired Library employees with pharmacy benefits included with medical. Prescription drug benefits are offered on a fully insured basis through Benecard. Two prescription drug plans are offered to pre-65 and post-65 retirees based on retirement date (prior to 1/1/06 and on/after 1/1/06).

Base plan costs for the 2018 and 2019 plan years for pre-65 and post-65 retirees are based on the self-funded fully insured equivalency rates, by coverage tier as provided by the Township, for the self-funded Meritain/Aetna medical plans. For valuation purposes, these equivalency rates are assumed to include all administrative expenses, stop loss premiums, and Patient Protection and Affordable Care Act (PPACA) fees due at this time.

The valuation reflects the reimbursement of Medicare Part B premium to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. For valuation purposes, it is assumed that the Township reimburses at the standard Medicare Part B premium level and that there is no additional reimbursement due to income level surcharge.

Fiscal year January 1, 2018 to December 31, 2018 is the first year of implementation under GASB 75, so there is no prior actuarial gain/loss.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Employees Covered by Benefit Terms: At January 1, 2018, the following employees were covered by the benefit terms:

Actives	368
Retirees	<u>231</u>
Total	<u>599</u>

Total OPEB Liability

At December 31, 2018, the Township had a liability of \$371,522,993 for its OPEB Liability. The OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The Total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

1. Valuation Date	January 1, 2018
2. Initial Implementation Year for GASB 75	January 1, 2018 to December 31, 2018
3. Assets	Not valued since benefit is unfunded. Assets are zero.
4. Expected Return on Assets	Not applicable. Assets are zero.
5. Discount Rate	3.80% The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices as of December 31, 2018.
6. Information for Valuation	All information was provided by the Township.
7. Retirement Benefits	Coverage for pre-65 and post-65 retirement benefits. This valuation is provided to a single employer plan.
8. Covered Benefits	Employees who retire from the Township may be eligible for subsidized post-employment medical and prescription drug benefits based on number of years of service completed. No subsidized coverage for dental, vision or life insurance is available.
9. Actuarial Cost Method	Entry Age Normal as a Level of Percentage of Payroll

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

10. Health Care Cost Trend
Assumption

The following assumptions are used for annual healthcare cost inflation (trend):

	<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>
Year 1 Trend	January 1, 2020	8.0%	8.0%
Ultimate Trend	January 1, 2026 & Later	5.0%	5.0%
Grading Per Year		0.5%	0.5%

11. Starting Claim Cost

Base medical plan costs are based on self-funded fully insured equivalency rates provided by the Township for 2018 and 2019 plan years. Equivalency rates are based on 100% before retiree contributions and assumed to include all administrative expenses, stop loss premiums and PPACA fees due at this time. In addition, fully insured prescription drug premium rates through Benecard are assumed to include all administrative expenses and applicable PPACA fees as well. There are two pharmacy plan options based on dates of retirement (before and after 1/1/2006).

12. Projected Benefit Costs

The Township's plan costs are self-funded and experience rated and therefore adjusted for aging. Actuarial Standards of Practice No. 6 requires age adjusted costs be measured by estimating the expected costs by age whether or not a pooling or community rating applies. The current valuation contemplates an assumption for aging, which is consistent with the prior valuation.

13. Medicare Part B
Reimbursements

Valuation reflects the reimbursement of Medicare Part B premiums to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. The Township reimburses at the standard Medicare Part B premium level with no additional reimbursement due to income level surcharge.

14. Medicare Part D
Reimbursements

The Township does not reimburse Medicare Part D premiums to retirees and/or spouses that are eligible.

15. Implicit Subsidy

This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

16. Healthcare Reform Impact

The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly or indirectly. The fees included in this valuation are 1)

Comparative Effectiveness Research fee, 2) Health Insurance Industry fee, and 3) High Cost Excise Tax ("Cadillac tax"). The Reinsurance Assessment, also initiated with the passing of the PPACA, was a short-term fee levied on fully insured and self-funded employer groups between 2014 and 2016.

The Comparative Effectiveness Research fee runs through 2019 and is tax deductible. The initial fee was \$1 per participant per year increasing to \$2 in the next year. Subsequent years are increased based on medical inflation. The fee applies to post-65 retirees where Medicare is the primary payer.

The Health Insurance Industry fee is based on targeted fixed fees to be paid by the health insurance industry and is not tax deductible. The total fee amount to be paid by health insurers starts at \$8 billion in 2014 and increases to \$14.3 billion in 2018. After 2018, the fee increases annually based on premium growth. The fee was suspended for the 2017 plan year and will resume in 2018 with the estimated fee to be approximately 3.0% to 4.0% of premium. The fee applies to fully insured plans including Medicare Advantage plans and excludes self-funded employer sponsored group health plans. Effective with legislation passed on January 22, 2018, this fee will be suspended again for the 2019 plan year but will resume in 2020.

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 2022 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 2022 stated cost limits.

For valuation purposes, it is assumed the trend adjustments to the cost limits in the benchmark plan are equal to actual premium increases in the Federal Employees Health Benefit Plan (FEHBP) for 2020 through 2019 and projected increases in costs from 2020 through 2022. For each year from 2022 and beyond, the excess of projected future premiums over future adjusted cost limits are multiplied by 40%. It is assumed that any excise tax payable by a TPA or insurer will be passed on to the entity through increased premiums or costs (whether billed separately or not).

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

This valuation includes changes to the Cadillac tax based on legislation passed on January 22, 2018 which delays the implementation of the tax to January 1, 2022 as well as continuing to allow the tax payments to be deductible for federal tax purposes. As stated previously, it is assumed the provided plan cost rates are inclusive of the applicable PPACA fees due at this time with the exception of the High Cost Plans Excise Tax.

17. Plan Design Changes

Valuation assumes no changes in future plan design from current benefits offered for the current plan year. It is assumed that the current level of benefits will remain, with no modifications to avoid the potential excise tax imposed by the Patient Protection and Affordable Care Act.

18. % Future Retirees Opting Out

It is assumed that 100% participation for those covered as actives. All eligible active and retiree employee records provided by the Township were valued.

19. Census Information

Participant information was provided by the Township in March 2019.

20. New Hires

This valuation is based on a closed group and does not reflect the impact of future new entrants into the plan.

21. Payroll Information

Payroll information was supplied by the Township and reflected in the valuation for use in determining retiree contribution rates as well as the actuarial cost method. Contribution rates for future retirees with less than (20) years of service prior to implementation of Chapter 78 on June 28, 2011 will have their contribution for healthcare benefits based on base salary at retirement with a minimum of 1.5% of base salary. Average salary increase used in the valuation for the Entry Age Normal (EAN) actuarial cost method is assumed to be 3.0%

Annual salary is based on a contribution of current salary along with salary used in the prior valuation for those active employees missing salary.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

22. Retirement System	Valuation is based on the New Jersey Public Employees' Retirement System (PERS), and the New Jersey Police and Firemen's Retirement System (PFRS).
23. Retirement Eligibility Assumptions	Eligibility for retirement is based on meeting a criteria of minimum years of service requirement. For this valuation, retirees are eligible for subsidized healthcare benefits based on achieving twenty-five years of service in the NJPERS/NJPFRS with ten of those years with the Township.
24. Retiree Contribution Rates	<p>Contribution rates for future retirees will be based on the State of New Jersey's new contribution formula per implementation of Chapter 78. Contributions are calculated using a varying formula based on the retirees' base salary at retirement with a minimum contribution of 1.5% of base salary. Active employees hired prior to implementation of Chapter 78 (June 28, 2011) with less than twenty years of service at implementation had their contribution phased in over a four-year period. Employees hired on or after June 28, 2011 will have their contribution set at the highest year four contribution level. As the four-year phase in period has expired, all active employees' contribution level is set at the highest level.</p> <p>Contributions for current retirees and future retirees with twenty or more years of service at June 28, 2011 are 0% (non-contributory). The Township pays 100% of the benefit cost.</p>
25. Mortality	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.
26. Turnover Assumptions	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
27. Disability Assumptions	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age.
28. Retirement Assumptions	This reflects the rate of retirement from the active plan and is based on age and years of service.
29. Surviving Spouses & Surviving Dependents	Surviving spouses are eligible to elect coverage and receive the same subsidy as retirees, including Medicare Part B premium reimbursement.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

30. Valuation of Spouses & Marital Status	Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that active employees with dependent coverage will elect dependent coverage in retirement 100% of the time.
31. Spouse Age Assumptions	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided.
32. Waivers (Opt Outs)	There were no individuals on the census listed as waiving benefit coverage.
33. Vested & Leave of Absence	No individuals on the census are listed as vested in benefits or on leave of absence.
34. COBRA & Terminated Participants	Eight individuals were listed as terminated from the plan and excluded from the valuation.
35. Eligible Population	Population reflects all benefit eligible employees provided. Any new hires after date of data collection are not reflected herein.
36. Rounding of Results	Results are illustrated to the nearest dollar.

Summary of Experienced (Gain)/Loss as of January 1, 2018

Unfunded Accrued Liability as of January 1, 2018	362,706,993
Projected Unfunded Accrued Liability as of December 31, 2017	<u>268,278,524</u>
Experience (Gain)/Loss on Unfunded Accrued Liability as of December 31, 2018	<u>\$94,428,469</u>
Distribution of Experience (Gain)/Loss as of January 1, 2018	
Impact due to:	
Change in discount rate from 4.0% to 3.8% for current valuation	14,229,519
Implementation of aging assumption as required by GASB 75	33,189,449
Actuarial cost method from PUC to EAN as prescribed by GASB 75	29,646,198
Change in mortality improvement scale to a more current scale since prior valuation	19,202,240
Changes in headcount, demographics and other valuation assumptions	<u>(1,838,937)</u>
Total	<u>\$94,428,469</u>

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the Township's total OPEB liability as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Current Discount Rate	1% Increase
	2.80%	3.80%	4.80%
Township's Total OPEB Liability	\$458,661,403	\$371,522,993	\$308,412,214

Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate

The following presents the Township's total OPEB liability as well as what the Township's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Current Discount Rate	1% Increase
Township's Total OPEB Liability	\$298,216,572	\$371,522,993	\$470,090,104

Special Funding Situation PFRS with State Health Local Government Retired Employees Plan

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to supervisors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred outflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2018, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$42,860,117 and the State's proportionate share of OPEB expense for the PFRS special funding situation is \$1,297,426.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 8. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2018 and 2017 which has been appropriated as revenue in the 2019 and 2018 budgets is as follows:

	<u>2019</u>	<u>2018</u>
Current Fund	<u>\$8,872,205</u>	<u>\$6,150,000</u>
Water Utility	<u>\$1,600,000</u>	<u>\$2,692,783</u>
Parking Utility	<u>\$-0-</u>	

NOTE 9. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2018:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land and Buildings	\$30,582,851		\$	\$30,582,851
Furniture and Fixtures	489,620	24,515		514,135
Automobiles and Vehicles	6,522,836	300,000	95,000	6,727,836
Machinery and Equipment	<u>5,751,435</u>	<u>1,335,030</u>	<u> </u>	<u>7,086,465</u>
	<u>\$43,346,742</u>	<u>\$1,659,545</u>	<u>\$95,000</u>	<u>\$44,911,287</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 \$4,205,478 as of December 31, 2018. The amount is not reported either as an expenditure or liability.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 11. INTERFUND BALANCES AND ACTIVITY

\$ 54,157	Due to the Current Fund from the Federal and State Grant Fund to reimburse expenditures paid less grant awards received.
63,893	Due to the Current Fund from the Animal License Trust Fund for the current year statutory excess calculation less deposit errors.
228,148	Due to the Current Fund from the General Trust Fund for interest earned on investments, budget revenue not transferred and to correct deposit and expenditure errors.
203,730	Due to the Municipal Open Space Trust Fund from the Current Fund for the 2018 open space levy collected but not transferred.
26,424	Due to the Current Fund from the Community Development Trust Fund to reimburse expenditures paid out of the Claims account for which monies were never transferred and to correct a transfer error.
6,851	Due to the Section 8 Housing Trust Fund from the Current Fund to reimburse the trust fund for old voided checks in the Claims Account.
14,183	Due to the Unemployment Trust Fund from the Current Fund to correct a transfer made in error.
478,447	Due to the Current Fund from the Payroll Deductions Trust Fund for prior years' employee health benefit deductions not transferred.
4,347	Due to the Current Fund from the Net Payroll Account for current year interest earnings.
479,352	Due to the Current Fund from the Parking Utility Operating Fund to reimburse for cash disbursements paid on behalf of the utility.
10,680	Due to the Water Operating Fund from the Current Fund for the balance of a prior year interfund not liquidated.
6,029	Due to the Federal and State Grant Fund from the General Trust Fund for grant awards deposited received but deposited in Trust in error.
61,064	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
17,224	Due to the Health Care Claims Trust Fund from the Payroll Agency Deductions account for the balance in current year employee health benefits deductions withheld.
7,787	Due to the Payroll Agency Deductions Trust account from the Unemployment Trust Fund to correct a transfer error.
1	Due to the Water Utility Capital Fund from the Water Utility Operating Fund for the balance in interest earned on investments not transferred
<u>1,360</u>	Due to Parking Utility Operating Fund from the Parking Utility Capital Fund for the prior year interfund not liquidated.
<u><u>\$1,663,677</u></u>	

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

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 12. RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2018 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of Fort Lee is a member of the Garden State Municipal Joint Insurance Fund (GSMJIF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability. The GSMJIF coverage amounts are on file with the Township.

The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

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

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

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 12. RISK MANAGEMENT, (continued)

<u>Year Ended</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$50,000	\$43,890	\$84,939	\$233,026
2017	\$25,000	\$42,070	\$68,081	\$212,010

NOTE 13. SELF-INSURANCE WORKER'S COMPENSATION PLAN

The Township has established a worker's compensation plan for its employees. The Township funds the cost of the plan up to a certain threshold at which point coverage is maintained through an excess workers' compensation policy with the Garden State Municipal Joint Insurance Fund containing the following limits:

Worker's Compensation	\$13,000,000 of which the first \$200,000 is the Township's responsibility and in excess of \$200,000 is covered by Safety National Casualty Corporation with no limit.
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The reserve balance in the Worker's Compensation Trust Fund for 2018 and 2017 respectively are \$18,818 and \$ -0- as reflected on Exhibit B-10.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2018.

NOTE 14. SELF-INSURANCE HEALTH BENEFITS PLAN

The Township has established a Health Benefits Plan for its employees. The Township funds the entire cost of the plan. Claims are processed and paid by Meritain, a third party administrator. Claims are paid directly by the plan up to a maximum of \$200,000 per employee per year. Reinsurance for benefits above the \$200,000 per employee per year limit are provided through Sun Life. The portion of this plan is also administered by Meritain Health (TPA) and members access the Aetna Network. Reserve balances for 2018 and 2017 respectively are \$291,942 and \$542,211. A summary of activity for this fund is detailed as follows:

Balance, December 31, 2017	\$542,211
Receipts	12,467,232
Disbursements	<u>12,717,501</u>
Balance, December 31, 2018	<u>\$291,942</u>

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2018.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 15. SELF-INSURANCE LIABILITY

The Township maintains a self-insurance liability account to cover legal settlements and other miscellaneous expenses not covered by its policies under the Garden State Municipal Joint Insurance Fund. Reserve balances for 2018 and 2017 respectively are \$594,318 and \$809,348.

NOTE 16. 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</u> <u>Dec 31, 2018</u>	<u>Balance</u> <u>Dec 31, 2017</u>
Prepaid Taxes	<u>\$843,641</u>	<u>\$5,119,866</u>
Cash Liability for Taxes Collected in Advance	<u><u>\$843,641</u></u>	<u><u>\$5,119,866</u></u>

NOTE 17. 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.

There are various tax appeals cases that were also pending at December 31, 2018. The Township is defending its assessments in each case. Under the accompanying principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability would be provided for in succeeding years' budgets or through a refunding bond ordinance, which would allow the Township to fund these liabilities over a number of years. The Township's legal counsel estimate such amounts to be immaterial.

TOWNSHIP OF BLOOMFIELD
Notes to Financial Statements
Years Ended December 31, 2018 and 2017
(continued)

NOTE 18. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Township of Bloomfield:

	<u>2018</u>	Balance December 31,	2019 Budget Appropriation	Balance to Succeeding Year's Budget
Current Fund:				
Over-expenditure of Appropriations		\$9,742	\$9,742	\$
Special Emergency Authorization		<u>1,500,000</u>	<u>300,000</u>	<u>1,200,000</u>
Total Deferred Charges		<u>\$1,509,742</u>	<u>\$309,742</u>	<u>\$1,200,000</u>

	<u>2017</u>	Balance December 31,	2019 Budget Appropriation	Balance to Succeeding Year's Budget
Current Fund:				
Over-expenditure of Appropriations		\$9,742	\$	\$
Total Current Fund		<u>\$9,742</u>	<u>\$</u>	<u>\$</u>

NOTE 19. SUBSEQUENT EVENTS

On March 26, 2019, the Township issued \$13,731,000 in General Improvement Bonds with a maturity date of February 1, 2020 through 2035 at interest rates of 2.00% - 4.00%. In addition, general Bond Anticipation Notes of \$17,730,000 were issued on April 8, 2019 at a rate of 2.75% with a due date of April 7, 2020. Parking Utility bond anticipation notes were also issued on April 8, 2019 in the amount of \$6,040,000 at a rate of 2.75% with a due date of April 7, 2020.

On March 28, 2019, the Township issued \$11,825,000 in parking utility bonds to refund \$12,480,000 in outstanding bonds originally issued in 2010. This issuance has a maturity date of December 15, 2019 through 2040 at interest rates of 3.00% - 5.00%.

The Township has evaluated subsequent events through September 24, 2019, 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 BONDS

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

April 2, 2020

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 the \$17,730,000 aggregate principal amount of General Obligation Bonds, Series 2020, consisting of \$14,630,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,100,000 aggregate principal amount of Water Utility Bonds, Series 2020 (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 body politic and corporate of the State of New Jersey (the "State").

The Bonds are authorized by and are issued pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) various bond ordinances duly adopted by the Township Council and published as required by law and (iii) a resolution duly adopted by the Township Council on February 24, 2020.

The Bonds 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. One certificate shall be issued for the aggregate principal amount of Bonds of each series maturing in each year. Individual purchases may be made in the principal amount of \$5,000 each or any integral multiple thereof, 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.

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 as Paying Agent (or a Paying Agent duly appointed 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 DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semi-annually on the first day of February and August (each an "Interest Payment Date") in each year until maturity or prior redemption, commencing February 1, 2021. The Bonds shall mature on February 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Water Utility Bonds</u>	<u>Combined Principal Amounts</u>	<u>Interest Rates</u>
2021	\$ 395,000	\$ 85,000	\$ 480,000	5.000%
2022	490,000	105,000	595,000	5.000
2023	495,000	105,000	600,000	5.000
2024	500,000	105,000	605,000	5.000
2025	505,000	110,000	615,000	5.000
2026	515,000	110,000	625,000	5.000
2027	520,000	110,000	630,000	5.000
2028	525,000	110,000	635,000	5.000
2029	535,000	115,000	650,000	5.000
2030	545,000	115,000	660,000	5.000
2031	550,000	115,000	665,000	5.000
2032	560,000	120,000	680,000	5.000
2033	575,000	120,000	695,000	5.000
2034	585,000	125,000	710,000	3.375
2035	595,000	125,000	720,000	3.375
2036	610,000	130,000	740,000	3.500
2037	620,000	130,000	750,000	3.500
2038	635,000	135,000	770,000	3.500
2039	650,000	135,000	785,000	3.500
2040	665,000	140,000	805,000	3.750
2041	680,000	145,000	825,000	3.750
2042	695,000	145,000	840,000	3.750
2043	710,000	150,000	860,000	4.000
2044	730,000	155,000	885,000	4.000
2045	<u>745,000</u>	<u>160,000</u>	<u>905,000</u>	4.000
Total:	<u>\$14,630,000</u>	<u>\$3,100,000</u>	<u>\$17,730,000</u>	

The Bonds of this issue maturing prior to February 1, 2029 are not subject to redemption prior to their stated maturities. The 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 therein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

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 issuance and sale 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 issuance and sale of the Bonds pursuant to 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"), establishes 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 interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the 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 has covenanted in its tax certificate relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Township with the aforementioned covenant, under existing 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.

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 is 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 2021 through 2031, inclusive (collectively, 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 Bonds and not as interest.

We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on February 1 in the years 2034 through 2042, inclusive and 2044 and 2045 (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar person or organizations acting in the capacity of underwriters or wholesalers) at which prices 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). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.

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 Bonds of each series, as executed by the Township, and, in our opinion, the form of each Bond and their 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 TAX-EXEMPT NOTES

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

April 2, 2020

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

\$4,900,000
BOND ANTICIPATION NOTES, SERIES 2020 (TAX-EXEMPT)
CONSISTING OF
\$3,340,000 BOND ANTICIPATION NOTES, SERIES 2020 (TAX-EXEMPT)
AND
\$1,560,000 REDEVELOPMENT AREA BOND ANTICIPATION NOTES, SERIES 2020
(TAX-EXEMPT)
NON-CALLABLE

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

Dated: April 2, 2020

The \$4,900,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) consisting of \$3,340,000 Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Bond Anticipation Notes") and \$1,560,000 Redevelopment Area Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Redevelopment Area Bond Anticipation Notes" and together with the Tax-Exempt Bond Anticipation Notes, the "Tax-Exempt Notes") of the Township, are dated April 2, 2020, mature April 1, 2021 and bear interest at the rate of two and twenty hundredths per centum (2.20%) per annum.

The Tax-Exempt Notes are registered in the name of Bank of America, N.A., New York, New York without coupons, and are not subject to redemption prior to their stated date of maturity. Payment of the principal of and interest on the Tax-Exempt Notes will be paid at maturity upon presentation and surrender of the Tax-Exempt Notes at the Office of the Chief Financial Officer of the Township. The Tax-Exempt Notes may only be transferred upon presentation to the Chief Financial Officer of the Township at his office with a written assignment duly acknowledged or proved, and the name of the assignee shall be endorsed thereon and entered in the books kept in the Office of the Chief Financial Officer of the Township.

The Tax-Exempt Notes are authorized, issued and sold pursuant to the provisions of the Local Redevelopment and Housing Law of the State of New Jersey, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "Redevelopment Law"), the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances of the Township having been in all respects duly adopted, approved and published as required by law and a resolution duly adopted by the Township Council of the Township on February 24, 2020. The Tax-Exempt Bond Anticipation Notes are being issued to temporarily finance various capital acquisitions and improvements in and for the Township in the amount of \$3,340,000. The Tax-Exempt Redevelopment Area Bond Anticipation Notes are being issued to temporarily finance improvements to the Bloomfield Center Redevelopment Area in and for the Township in the amount of \$1,560,000.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Tax-Exempt Notes pursuant to the Redevelopment Law and the Local Bond Law, (ii) the Tax-Exempt Notes are valid and legally binding 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 Tax-Exempt Notes.

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 and delivery of the Tax-Exempt Notes in order for interest thereon to be and remain excludable 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 Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Tax-Exempt Notes. The Township has covenanted in its tax certificate relating to the Tax-Exempt Notes to maintain the exclusion of the interest on the Tax-Exempt Notes from gross income for Federal income tax purposes pursuant to section 103(a) of the Code.

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

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Tax-Exempt Notes and any gain on the sale thereof is 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 paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Tax-Exempt Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Tax-Exempt Notes, or the interest thereon, if any action is taken with respect to the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Notes and, in our opinion, the form is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX E

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 2, 2020

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

\$8,963,000
PARKING UTILITY NOTES, SERIES 2020
(FEDERALLY TAXABLE)

NON-CALLABLE

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

Dated: April 2, 2020

The \$8,963,000 Parking Utility Notes, Series 2020 (Federally Taxable) (the "Taxable Notes") are dated April 2, 2020, mature on April 1, 2021 and bear interest at the rate of two and eighty-two hundredths (2.82%) per annum.

The Taxable Notes are registered in the name of Bank of America, N.A., New York, New York without coupons, and are not subject to redemption prior to their stated date of maturity. Payment of the principal of and interest on the Taxable Notes will be paid at maturity upon presentation and surrender of the Taxable Notes at the Office of the Chief Financial Officer of the Township. The Taxable Notes may only be transferred upon presentation to the Chief Financial Officer of the Township at his office with a written assignment duly acknowledged or proved, and the name of the assignee shall be endorsed thereon and entered in the books kept in the Office of the Chief Financial Officer of the Township.

The Taxable 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”), by various 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 24, 2020. The Taxable Notes are being issued to (i) currently refund a principal portion of \$5,963,000 of the Township’s \$6,040,000 Parking Utility Notes, Series 2019 (Federally Taxable) dated April 8, 2019 and maturing April 7, 2020 (the “Prior Taxable Notes”) (the remaining balance of the Prior Taxable Notes in the amount of \$77,000 will be paid by the Township through a 2020 budget appropriation) and (ii) temporarily finance various parking utility improvements in the amount of \$3,000,000.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Taxable Notes pursuant to the Local Bond Law, (ii) the Taxable 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 Taxable Notes.

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

Furthermore, in our opinion, interest on the Taxable Notes and any gain on the sale thereof are not includable in gross income of the owners of the Taxable 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 Taxable Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Taxable Notes, or the interest thereon, if any action is taken with respect to the Taxable 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 Taxable 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 Taxable Notes and, in our opinion, the form is regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated 2, 2020 (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 \$17,730,000 aggregate principal amount of General Obligation Bonds, Series 2020 consisting of \$14,630,000 aggregate principal amount of General Improvement Bonds, Series 2020 (the "General Improvement Bonds") and \$3,100,000 aggregate principal amount of Water Utility Bonds, Series 2020 (the "Water Utility Bonds" and together with the General Improvement 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, and a resolution entitled, "RESOLUTION (A) PROVIDING FOR THE COMBINATION OF CERTAIN BOND ORDINANCES AND DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF \$17,730,000 GENERAL OBLIGATION BONDS, SERIES 2020 CONSISTING OF \$14,630,000 GENERAL IMPROVEMENT BONDS, SERIES 2020 AND \$3,100,000 WATER UTILITY BONDS, SERIES 2020 OF THE TOWNSHIP OF BLOOMFIELD, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY AND PROVIDING FOR THEIR SALE AND (B) AUTHORIZING THE SALE AND ISSUANCE OF (I) \$4,900,000 BOND ANTICIPATION NOTES, SERIES 2020 (TAX-EXEMPT) CONSISTING OF \$3,340,000 BOND ANTICIPATION NOTES, SERIES 2020 AND \$1,560,000 REDEVELOPMENT AREA BOND ANTICIPATION NOTES, SERIES 2020 AND (II) \$8,963,000 PARKING UTILITY NOTES, SERIES 2020 (FEDERALLY TAXABLE) (the "Resolution"), being duly adopted by the Township Council of the Township on February 24, 2020. 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 Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, 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.

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

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

“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, NW Financial Group, LLC 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 below) and approved by the SEC (as defined below) 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.

“Financial Obligation” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *“Financial Obligation”* shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

“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.

“National Repository” shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC (as defined below) as a repository for purposes of the Rule (as defined below).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC (as defined below) 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.

“Underwriter(s)” shall mean any of the original underwriter(s) 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 not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31), for each fiscal year until termination of the Township’s reporting obligations under this Disclosure Certificate pursuant to the provisions of Section 6 of this Disclosure Certificate, provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2019). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Certificate but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

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

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

SECTION 4. 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 (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

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); and.

(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 __, 2020 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 the MSRB, through the EMMA system, or the SEC. 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;
14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;
15. Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

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, through the EMMA system, in accordance with the provisions of this Section 5. 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 the MSRB, through the EMMA system, 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 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 the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) of this Disclosure Certificate.

SECTION 7. 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 NW Financial Group, LLC. 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 8. 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 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 of this Disclosure Certificate. 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 of this Disclosure Certificate, 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 9. 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 10. 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 11. 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 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. 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 13. 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:

NW Financial Group, LLC
2 Hudson Place, 3rd Floor
Hoboken, New Jersey 07030

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 14. 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 15. 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 16. 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

By: _____
ROBERT RENNA,
Chief Financial Officer

Acknowledged and Accepted by:

NW FINANCIAL GROUP, LLC,
as Dissemination Agent

Authorized Signatory

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: \$17,730,000 General Obligation Bonds, Series 2020
Consisting of \$14,630,000 General Improvement Bonds,
Series 2020 and \$3,100,000 Water Utility Bonds, Series 2020
Dated: April 2, 2020
(CUSIP Number: 094171PM1)

Date of Issuance: April 2, 2020

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 Resolution and a Continuing Disclosure Certificate for the Bonds dated April 2, 2020, which was executed by the Township and acknowledged and accepted by the Dissemination Agent (the "Certificate"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Certificate.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Township)

cc: The Township

APPENDIX G

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

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CERTIFICATE OF COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

I, ROBERT RENNA, Chief Financial Officer of the Township of Bloomfield, in the County of Essex (the "Township"), a body politic and corporate organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY, in connection with the issuance of \$4,900,000 aggregate principal amount of Bond Anticipation Notes, Series 2020 (Tax-Exempt) consisting of \$3,340,000 aggregate principal amount of Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Bond Anticipation Notes") and \$1,560,000 aggregate principal amount of Redevelopment Area Bond Anticipation Notes, Series 2020 (Tax-Exempt) (the "Tax-Exempt Redevelopment Area Bond Anticipation Notes" and together with the Tax-Exempt Bond Anticipation Notes, the "Tax-Exempt Notes") and \$8,963,000 Parking Utility Notes, Series 2020 (Federally Taxable) (the "Taxable Notes" and together with the Tax-Exempt Notes, the "Notes") of the Township dated April 2, 2020 and maturing April 1, 2021, 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 certain material events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org, of any of the following events with respect to the Notes herein described, as applicable, if material: (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 or other material events effecting the tax-exempt status of the security; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the Township other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final

official statement has been provided to the MSRB (as defined below), through the EMMA system, consistent with the Rule (as defined below).

Whenever the Township obtains actual knowledge of the occurrence of any of the aforementioned events and when the occurrence of such events will constitute material information to the holders of the Notes, the Township shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis.

The Township's obligations under this Certificate shall terminate upon the defeasance or 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 purchaser 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 and caused the official seal of the Township to be hereunto affixed and attested to by the Clerk of the Township this 2nd day of April, 2020.

(SEAL)

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

**ROBERT RENNA,
Chief Financial Officer**

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