

**TOWNSHIP OF BLOOMFIELD**

**Financial Statements with  
Supplementary Information  
December 31, 2016**

**(With Independent Auditor's Reports Thereon)**

**TOWNSHIP OF BLOOMFIELD**  
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**TOWNSHIP OF BLOOMFIELD**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2016**

# 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

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



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

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

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

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

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

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

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

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

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



The Honorable Mayor and  
Members of the Township Council  
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### ***Other Matters***

#### *Other Information*

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

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

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



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



Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CRO0413



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

September 13, 2017



TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2016 and 2015

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

TOWNSHIP OF BLOOMFIELD, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2016 and 2015

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

See accompanying notes to financial statements.

## TOWNSHIP OF BLOOMFIELD, N.J.

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

## Current Fund

## Years Ended December 31, 2016 and 2015

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

See accompanying notes to the financial statements.

## TOWNSHIP OF BLOOMFIELD, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2016

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

## TOWNSHIP OF BLOOMFIELD, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2016

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

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

Analysis of Realized Revenues

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

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

Analysis of Non-budget Revenues

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

B. Contingent

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Shared Service Agreements					
Board of Health:					
Health Services - Bloomfield Board of Education Nursing					
Salaries and Wages	16,020	16,020	16,020		
Other Expenses	3,600	3,600	2,259	1,341	
Health Services - Caldwell:					
Salaries and Wages	43,998	43,998	43,998		
Other Expenses	10,500	10,500	3,619	6,881	
Health Services - West Milford					
Salaries and Wages	42,653	42,653		42,653	
Health Services - Glen Ridge					
Other Expenses	27,082	27,082		27,082	
Health Services - Mountain Lakes					
Other Expenses	24,390	24,390	8,204		16,186
Health Services - Madison					
Salaries and Wages	26,829	26,829	26,829		
Health Services - Lincoln Park					
Salaries and Wages	14,352	14,352	14,352		

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

TOWNSHIP OF BLOOMFIELD, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

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

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2016 and 2015

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

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2016 and 2015

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

See accompanying notes to financial statements.

## TOWNSHIP OF BLOOMFIELD

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2016 and 2015

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

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

See accompanying notes to the financial statements.

**TOWNSHIP OF BLOOMFIELD**

**Comparative Statement of Changes in Fund Balance - Regulatory Basis**

**General Capital Fund**

**For the Years Ended December 31, 2016 and 2015**

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

See accompanying notes to the financial statements.

TOWNSHIP OF BLOOMFIELD

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2016 and 2015

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

## TOWNSHIP OF BLOOMFIELD

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2016 and 2015

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

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

See accompanying notes to financial statements.

**TOWNSHIP OF BLOOMFIELD**

**Comparative Statement of Changes in Fund Balance - Regulatory Basis**

**Water Utility Capital Fund**

**For the Years ended December 31, 2016 and 2015**

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

See accompanying notes to the financial statements.

**TOWNSHIP OF BLOOMFIELD**

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

**Water Utility Operating Fund**

**For the Years ended December 31, 2016 and 2015**

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

See accompanying notes to financial statements.

**TOWNSHIP OF BLOOMFIELD**

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2016**

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

Analysis of Realized Revenue

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

## TOWNSHIP OF BLOOMFIELD

## Statement of Expenditures - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2016

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

See accompanying notes to financial statements.

**Exhibit E**

**TOWNSHIP OF BLOOMFIELD**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2016 and 2015**

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

See accompanying notes to financial statements.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

A. Reporting Entity

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

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

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

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

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

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

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

The Township has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

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

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

Basis of Accounting

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

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

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

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

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

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

Basis of Accounting, (continued)

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

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

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

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

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

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

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

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

Basis of Accounting, (continued)

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

No depreciation has been provided for in the financial statements.

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

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

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

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

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

Recent Accounting Pronouncements

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

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

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

Basis of Accounting, (continued)

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

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

C. Basic Financial Statements

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

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

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

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

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

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. MUNICIPAL DEBT**

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

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

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

The Township's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

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

Summary of Statutory Debt Condition - Annual Debt Statement

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

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

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

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

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

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

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

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

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

Paid by Current Fund:

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

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

**NOTE 3. MUNICIPAL DEBT, (continued)**

Paid by Water Utility Fund:

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

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

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

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

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

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

**NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE**

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

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

**NOTE 5. BOND ANTICIPATION NOTES**

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

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

**NOTE 5. BOND ANTICIPATION NOTES, (continued)**

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

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

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

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

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

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

**NOTE 6. PENSION PLANS**

Description of Plans:

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

*Public Employees' Retirement System (PERS)*

Plan Description

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

Benefits Provided

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

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

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

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

**NOTE 6. PENSION PLANS, (continued)**

Description of Plans, (continued)

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

5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

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

Benefits Provided

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

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

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

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

**NOTE 6. PENSION PLANS, (continued)**

Description of Plans, (continued)

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

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

Defined Contribution Retirement Program

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

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

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

Contribution Requirements

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

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

**NOTE 6. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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

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

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2016, the Township had a liability of \$37,799,389 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the Township's proportion was .1276267705 percent, which was an increase of .0065390086 percent from its proportion measured as of June 30, 2015.