PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 9, 2019

NEW ISSUE
SERIAL BONDS

RATING: Standard & Poor's: ____

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

$11,455,000
TOWNSHIP OF SPRINGFIELD
COUNTY OF UNION, NEW JERSEY
GENERAL IMPROVEMENT BONDS
(Book-Entry Only) (Callable)

Dated: September 15, 2019 **Due: September 15, as shown below**

The $11,455,000 General Improvement Bonds (the "Bonds") of the Township of Springfield, in the County of Union, New Jersey (the "Township"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of $5,000 or any integral multiple thereof. See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on September 15 of each of the years set forth below, and interest on the Bonds is payable on each March 15 and September 15, commencing March 15, 2020, in each year until maturity or prior redemption.

The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS – Prior Redemption" herein.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and the interest thereon. The Township is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS

Year	Amount Maturing	Interest Rate	Yield	Year	Amount Maturing	Interest Rate	Yield
2020	$650,000	%	%	2026	$ 990,000	%	%
2021	950,000			2027	990,000		
2022	950,000			2028	1,000,000		
2023	975,000			2029	1,000,000		
2024	975,000			2030	1,000,000		
2025	975,000			2031	1,000,000		

(plus accrued interest from September 15, 2019)

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC on or about September 26, 2019.

ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O'CLOCK A.M. ON SEPTEMBER 17, 2019
AT THE MUNICIPAL BUILDING
100 MOUNTAIN AVENUE
SPRINGFIELD, NEW JERSEY 07081

TOWNSHIP OF SPRINGFIELD
COUNTY OF UNION, NEW JERSEY

MAYOR

ERICA DuBOIS

TOWNSHIP COUNCIL

CHRISTOPHER CAPODICE
RICHARD HUBER
ALEX KEISER
CHRISTOPHER WEBER

CHIEF FINANCIAL OFFICER

DIANE SHERRY, C.M.F.O.

TOWNSHIP ADMINISTRATOR

JOHN BUSSICULO

TOWNSHIP CLERK

LINDA M. DONNELLY, R.M.C., C.M.C.

TOWNSHIP ATTORNEY

KRAIG M. DOWD, ESQ.

AUDITORS

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

BOND COUNSEL

ROGUT McCARTHY LLC

No broker, dealer, salesperson or other person has been authorized by the Township or the Underwriters to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been obtained from the Township and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty by the Underwriters or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof or the date as of which such information is given, if earlier.

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

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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OFFICIAL STATEMENT
OF THE TOWNSHIP OF SPRINGFIELD
IN THE COUNTY OF UNION, NEW JERSEY

$11,455,000 GENERAL IMPROVEMENT BONDS

INTRODUCTION

This Official Statement (the "Official Statement"), which includes the cover page and the appendices attached hereto, has been prepared by the Township of Springfield (the "Township"), in the County of Union (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of its $11,455,000 General Improvement Bonds (the “Bonds”) dated September 15, 2019. This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and the Township Clerk and may be distributed in connection with the sale of the Bonds.

This Preliminary Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriters and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the “final official statement” within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds shall be dated September 15, 2019 and will mature on September 15 in the years and in the principal amounts as set forth below. The Bonds shall bear interest from their date, payable on each March 15 and September 15, commencing March 15, 2020 (each, an "Interest Payment Date"), in each year until maturity or prior redemption at the rates shown on the cover page hereof. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York ("DTC"), acting as Securities Depository, by the Chief Financial Officer, acting as "Bond Registrar/Paying Agent". Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the last business day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Investors may purchase beneficial interests in the Bonds in the denomination of $5,000 or any integral multiple thereof. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. Disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. See "BOOK-ENTRY ONLY SYSTEM" below.

Maturity Schedule

YEAR	MATURITY	YEAR	MATURITY
2020	$650,000	2026	$990,000
2021	950,000	2027	990,000
2022	950,000	2028	1,000,000
2023	975,000	2029	1,000,000
2024	975,000	2030	1,000,000
2025	975,000	2031	1,000,000

PRIOR REDEMPTION

The Bonds maturing on or before September 15, 2026 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after September 15, 2027 are subject to redemption at the option of the Township prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after September 15, 2026, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Township determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Township, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption, and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is a part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM (CONTINUED)

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

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

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

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

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

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

AUTHORIZATION

The Bonds have been authorized and are to be issued pursuant to the laws of the State, including the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended; the "Local Bond Law"). The Bonds are authorized by various bond ordinances adopted by the Township Committee and by resolutions adopted by the Township Committee on August 13, 2019.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinance can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Township.

PURPOSE OF FINANCING

The proceeds of the Bonds will be used to refund, on a current basis, $11,143,468 of the Township's Bond Anticipation Notes and to fund $311,532 of the unfinanced portion of various capital projects of the Township.

The projects to be financed from the Bond proceeds are listed below:

ORDINANCE NUMBER	DESCRIPTION	AMOUNT
2013-08	Various Public Improvements and Acquisitions	$ 768,696
2014-03	Various Public Improvements and Acquisitions	1,741,327
2015-11	Various Public Improvements and Acquisitions	3,375,761
2016-14	Various Public Improvements and Acquisitions	959,216
2018-18/ 2019-04	Various Public Improvements and Acquisitions	4,610,000
		$11,455,000

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds are general obligations of the Township and unless paid from other sources, the Township is authorized and required by law to levy ad valorem taxes on all real property taxable by the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for payment of principal of or interest on bonds and notes of the Township is subject to applicable provisions of Federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State, providing extension for payment of principal of or interest on bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services of the New Jersey Department of Community Affairs (the "Local Finance Board").

NO DEFAULT

No principal or interest payments on Township indebtedness are past due. The Township has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION

The Township does not anticipate issuing tax anticipation notes or additional bonds during the remainder of the calendar year 2019. The Township may issue new money bond anticipation notes, as needed, during the remainder of 2019.

GENERAL INFORMATION

Location and Character

The Township was incorporated in the year 1794 and is located in central Union County about seven miles from the City of Newark and nineteen miles from New York City. Its land area is approximately five square miles. The main highways through Springfield are U.S. Route No. 78 and New Jersey State Routes 22, 24 and 82. The Garden State Parkway is only three miles away and the New Jersey Turnpike is within five miles. The Newark-Liberty International Airport and the major Marine Terminal of Port Elizabeth are easily accessible to the Township.

Springfield is predominantly a residential community of owner-occupied single family dwellings with excellent garden apartments, several modern shopping centers and light industrial areas. The Township is about 97% developed. Of the remaining 3%, approximately 2% is residential and 1% is industrial and commercial.

The Township maintains and enforces a strict zoning ordinance and has favored light industry. There are also many retail and commercial establishments located in the Township.

Springfield is the home of the nationally known Baltusrol Golf Club, one of the finest golf organizations in the nation. Baltusrol has hosted the U.S. Open seven times. Baltusrol hosted the PGA Championship in 2005 and 2016.

The Township has a Rent Leveling Board to regulate the rent increases on apartment houses. A 4% annual increase rate has been established with the allowance for a pass through of any real estate surcharge.

Form of Government

Springfield has the Township form of government which functions through a Township Committee of five members elected by the people for three year terms. Each member is elected at large. A full time professional Administrator handles the day-to-day operations, including personnel, budget and department oversight.

Population

Census Year	Population
2010	15,817
2000	14,429
1990	13,420
1980	13,955
1970	15,740

MUNICIPAL SERVICES

Police, Fire, Ambulance, Streets and Sanitation

The Police Department consists of forty-four officers. The Township has a paid Fire Department consisting of twenty-three members, which maintain a fire house and up-to-date apparatus. There is a volunteer First Aid Squad within the Township. The Township's roads and properties are maintained by the Public Works Department.

The Township contracts out scavenger service with a garbage pick-up once a week. Recycling is contracted out with a collection every other week.

Recreation and Library

The Township has an active recreation program which operates under the supervision of a recreation department, maintaining ten parks including playgrounds and picnic areas.

The Free Public Library utilizes a building completed in 1969 and an addition constructed in 1975 to house a museum. The library has approximately 79,600 volumes, 9,700 audio visual items, 132 periodicals, 50 subscriptions available through Zinio, access to 5,700 e-books, access to 7,300 audio e-books, 30 public computers and a total circulation of 130,700.

Swimming Pool

The swimming pool is being operated as a municipal utility under the New Jersey Statutes. For the year ended 2019, there are approximately 1,840 pool members comprised of: 1,100 families, 105 joint, 20 singles, 175 senior citizens, and 440 members with weekend privileges. The pool camp had approximately 340 members over a 10 week session.

FINANCIAL INSTITUTIONS

The following financial institutions service the financial needs of the Township:

Investors Savings Bank
TD Bank
S I Bank and Trust
Connect One Bank
Unity Bank
Valley National Bank
Kearny Federal Savings
Wells Fargo Bank
Citibank
Bank of America

LARGER TAXPAYERS OF THE TOWNSHIP

TAXPAYER	TYPE OF BUSINESS	2019 ASSESSED VALUATION
Baltusrol Golf Club	Golf Course	$18,257,900
Springfield Gardens	Apartments	17,176,500
Short Hill Club Village	Garden Apartments	12,244,000
Skyline Ridge Developers	Realty Management	9,855,000
Toresco Automotive Prop	Car Dealership	9,780,300
Segal Realty Co.	Garden Apartments	9,226,900
The Villas	Apartments	6,600,000
ARC Springfield	Department Stores	6,566,400
22 Springfield Assoc.	Department Stores	6,237,400
Briant Park Commons	Apartments	6,182,400

EMPLOYMENT AND EMPLOYMENT COMPARISONS

The 2018 annual average unemployment rate data follows:

Township of Springfield......................... 3.1%
Union County....................................... 4.3%
State of New Jersey.............................. 3.9%

VALUE OF BUILDING PERMITS ISSUED

YEAR	NEW BUILDINGS	ALTERATIONS AND RENOVATIONS	TOTAL VALUE
2018	$3,420,750	$9,400,203	$12,820,953
2017	6,280,462	19,694,482	25,974,944
2016	1,672,200	18,239,283	19,911,483
2015	5,963,785	18,556,719	24,520,504
2014	3,728,750	9,342,027	13,070,777

FINANCIAL INFORMATION

DEBT STATEMENTS

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the Township must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

DEBT INCURRING CAPACITY AS OF DECEMBER 31, 2018

Municipal:	
1. Equalized Valuations (average of last three years)	$2,647,218,506
2. 3-1/2% Borrowing Margin	92,652,648
3. Net Debt Issued and Outstanding	29,122,665
4. Excess School Borrowing	-0-
5. Total Charges to Borrowing Margin	29,122,665
6. Remaining Municipal Borrowing (line 2 minus line 5) Capacity	$ 63,529,983

STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2018

Gross Debt:				
Local School District Debt:				
Serial Bonds Issued and Outstanding	$	4,355,000		
Authorized But Not Issued		-0-		
			$	4,355,000
Swimming Pool Utility Debt:				
Bond Anticipation Notes Issued and Outstanding	$	2,766,500		
Authorized But Not Issued		580,881		
			$	3,347,381
Municipal Debt:				
Issued and Outstanding:				
Serial Bonds	$	7,435,000		
Bond Anticipation Note		19,037,602		
Authorized But Not Issued		1,792,988		
				28,265,590
Total Gross Debt			$	35,967,971
Less:				
Statutory Deductions:				
Local School District Debt	$	4,355,000		
Swimming Pool Utility		2,470,306		
Cash on Hand to Pay Notes		20,000		
				6,845,306
Statutory Net Debt			$	29,122,665
Average Equalized Valuation of Real Property (Years 2016, 2017, 2018)			$	2,647,218,506
Statutory Net Debt Percentage				1.100%

STATISTICS ON DEBT AS OF DECEMBER 31, 2018

Gross Debt (Municipal and School)	$35,967,971.00
Overlapping Debt	42,629,458.00
Gross Debt and Overlapping Debt	$78,597,429.00
Net Debt	29,122,665.00
Net Debt and Overlapping Debt	71,752,123.00
Gross Debt and Overlapping Debt per Capita (Based on 2010 Population)	4,969.00
Net Debt and Overlapping Debt per Capita (Also Based on 2010 Population)	4,536.00
Average Equalized Valuations	2,647,218,506.00
Gross Debt and Overlapping Debt:	
As a Percentage of Net Valuations Taxable for 2018	7.070%
Net Debt Statutory Percentage	1.100%

OVERLAPPING DEBT
AS OF DECEMBER 31, 2018

The Overlapping Debt of the Township was as follows:

	GROSS DEBT	TOWNSHIP SHARE	AMOUNT
County of Union	$714,050,399	3.85%	$27,490,940
Rahway Valley Sewerage Authority	145,983,784	10.37%	15,138,518
			$42,629,458

GROSS AND STATUTORY NET DEBT
AS OF DECEMBER 31

(EXCLUSIVE OF OVERLAPPING DEBT)

YEAR	GROSS DEBT AMOUNT	GROSS DEBT PERCENTAGE*	STATUTORY NET DEBT AMOUNT	STATUTORY NET DEBT PERCENTAGE*
2018	$35,967,971	1.358%	$29,122,665	1.100%
2017	34,212,641	1.357%	25,595,256	1.016%
2016	36,077,686	1.470%	27,938,304	1.139%
2015	34,556,327	1.404%	26,183,960	1.063%
2014	34,209,050	1.337%	24,998,096	.977%

*Of Average Equalized Valuations

YEAR		OUTSTANDING BONDS PRINCIPAL		INTEREST		TOTAL		NEW ISSUE PRINCIPAL
2019	$	740,000	$	129,275	$	869,275	$	
2020		740,000		121,875		861,875		650,000
2021		740,000		113,550		853,550		950,000
2022		745,000		104,300		849,300		950,000
2023		745,000		89,400		834,400		975,000
2024		745,000		74,500		819,500		975,000
2025		745,000		59,600		804,600		975,000
2026		745,000		44,700		789,700		990,000
2027		745,000		29,800		774,800		990,000
2028		745,000		14,900		759,900		1,000,000
2029								1,000,000
2030								1,000,000
2031								1,000,000
	$	7,435,000	$	781,900	$	8,216,900	$	11,455,000

ASSESSED VALUATIONS - LAND AND IMPROVEMENTS BY CLASS

YEAR	VACANT LAND	RESIDENTIAL	FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL
2018	$ 7,113,800	$ 777,558,900	$ 25,400	$ 194,985,900	$ 44,349,200	$ 86,131,800	$ 1,110,165,000
2017	6,295,400	773,609,900	25,400	196,981,400	44,606,500	86,131,800	1,104,650,400
2016	5,902,300	769,963,300	25,400	204,468,500	44,706,500	86,131,800	1,111,197,100
2015	4,740,300	767,419,900	25,400	208,009,800	44,994,100	86,009,800	1,111,199,300
2014	5,299,800	763,468,400		207,280,300	48,442,700	86,009,800	1,110,501,000

ASSESSED VALUATIONS - NET VALUATIONS TAXABLE

YEAR	REAL ESTATE LAND AND IMPROVEMENTS	BUSINESS PERSONAL PROPERTY	NET VALUATION TAXABLE	RATIO TO TRUE VALUE	AGGREGATE TRUE VALUE
2018	$ 1,110,165,000	$ 1,097,920	$ 1,111,262,920	41.15%	$ 2,700,427,293
2017	1,104,650,400	1,194,132	1,105,844,532	44.55%	2,481,981,174
2016	1,111,197,100	1,224,594	1,112,421,694	45.92%	2,422,478,378
2015	1,111,199,300	1,181,258	1,112,380,558	46.23%	2,406,234,750
2014	1,110,501,000	1,105,018	1,111,606,018	45.05%	2,467,690,763

CURRENT TAX COLLECTIONS

YEAR	TOTAL LEVY	COLLECTION DURING YEAR OF LEVY AMOUNT	COLLECTION DURING YEAR OF LEVY PERCENTAGE
2018	$ 79,253,523	$ 78,695,180	99.29%
2017	77,051,929	76,522,316	99.31%
2016	75,728,611	75,131,292	99.21%
2015	74,764,109	74,247,824	99.30%
2014	73,380,892	72,720,341	99.09%

TOTAL TAX REQUIREMENTS - INCLUDING SCHOOL AND COUNTY PURPOSES

YEAR	TOTAL TAX REQUIREMENTS	LOCAL PURPOSES	LOCAL SCHOOL	COUNTY
2019	$ 80,409,628	$ 25,275,876	$ 40,569,668	$ 14,564,084
2018	79,253,523	25,121,625	39,814,398	14,317,500
2017	77,051,929	24,711,873	39,073,463	13,266,593
2016	75,728,611	24,340,495	38,341,428	13,046,688
2015	74,764,109	23,788,781	37,628,163	13,347,165
2014	73,380,892	23,215,614	36,925,088	13,240,190

DELINQUENT TAXES AND TAX TITLE LIENS

DECEMBER 31

YEAR	TAX TITLE LIENS	DELINQUENT TAXES	TOTAL	PERCENTAGE OF LEVY
2018	$ -0-	$ 526,851	$ 526,851	0.66%
2017	-0-	520,808	520,808	0.68%
2016	-0-	497,450	497,450	0.66%
2015	-0-	433,224	433,224	0.58%
2014	-0-	465,536	465,536	0.63%

ASSESSED VALUATIONS OF PROPERTY OWNED BY THE TOWNSHIP - ACQUIRED BY TAXES

YEAR	AMOUNT
2018	$ -0-
2017	-0-
2016	-0-
2015	-0-
2014	-0-

COMPONENTS OF REAL ESTATE TAX RATE
(PER $100. OF ASSESSMENT)

YEAR	TOTAL	MUNICIPAL	MUNICIPAL LIBRARY	LOCAL SCHOOL	COUNTY	COUNTY OPEN SPACE
2019	$ 7.230	$ 2.189	$ .084	$ 3.648	$ 1,272	$ .037
2018	7.100	2.148	.081	3.583	1.252	.036
2017	6.905	2.110	.075	3.524	1.163	.033
2016	6.771	2.079	.072	3.447	1.140	.033
2015	6.692	2.035	.075	3.383	1.166	.033
2014	6.566	1.978	.075	3.322	1.157	.034

COMPARATIVE SCHEDULE OF FUND BALANCES

	YEAR	FUND BALANCE DECEMBER 31	UTILIZED IN BUDGET OF SUCCEEDING YEAR
Current Fund	2018	$ 4,826,712	$ 3,400,000
	2017	4,757,597	3,454 143
	2016	5,128,322	3,450,000
	2015	4,355,212	3,450,000
	2014	4,446,448	3,000,000
Swim Pool Utility Operating Fund	2018	$ 238,689	$ 230,000
	2017	327,684	213,211
	2016	378,865	140,055
	2015	273,836	72,000
	2014	188,641	57,000

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2019 ADOPTED MUNICIPAL BUDGET

CURRENT FUND

Anticipated Revenues:		
Fund Balance	$	3,400,000
Miscellaneous Revenues:		
State and Federal Aid		2,123,171
Other		2,153,214
Receipts From Delinquent Taxes		514,000
Amount to be Raised by Taxation for Municipal Purposes		25,275,876
Total Anticipated Revenues	$	33,466,261
Appropriations:		
Within "Caps":		
Operations	$	22,599,657
Pensions, Social Security, Unemployment Contributions, Deferred Charges		3,051,331
Excluded From "CAPS":		
Operations		3,908,409
Public and Private Programs		389,814
Capital Improvements		220,000
Municipal Debt Service		2,297,050
Reserve for Uncollected Taxes		1,000,000
Total Appropriations	$	33,466,261

EDUCATIONAL SERVICES

The Township's local school district, coterminous with the Township, is a type II school district and is an independent legal entity administered by a nine member Board of Education elected by the voters of the school district. The members serve three year terms. The school district is authorized by law to issue debt for school purposes upon vote of the electorate. The school district had $4,355,000 in outstanding bonds as of December 31, 2018.

Facilities

The Local School District operates five schools:

SCHOOL	GRADE ORGANIZATION	DATE BUILT	CAPACITY	ENROLLMENT 10/15/18
James Caldwell	3-5	1901	228	261
Thelma L. Sandmeier	3-5	1960	321	265
Florence M. Gaudineer	6-8	1952	601	478
Edward G. Walton	Pre K-2	1956	590	651
Jonathan Dayton	9-12	1937	655	578

Staff

The faculty for the Local School District includes a Superintendent, five principals, an assistant principal, Director of Human Resources, Director of Special Services, a Business Administrator/Board Secretary, and a staff of 207 full-time teachers, a total of 268 full-time positions including support staff, serving a total enrollment of 2,233 students, as of October 15, 2018. The School District has full academic accreditation.

Pupil Enrollments

The following table presents the actual historical pupil enrollments, as of October 15, for the school years 2013-14 through 2018-19.

Past Enrollments

School Year	Enrollment As of October 15
2018-19	2,233
2017-18	2,249
2016-17	2,222
2015-16	2,278
2014-15	2,312
2013-14	2,229

The School District currently projects the enrollment for 2019-20 will be 2,278 students, including special education students.

Labor Relations

The Board of Education and the Springfield Education Association, which is affiliated with the New Jersey Education Association, have a contract through June 30, 2019.

PROVISIONS OF CERTAIN STATUTES WITH RESPECT TO GENERAL OBLIGATION DEBT

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

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

Debt Limits

The authorized bonded indebtedness of the municipality is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. Pursuant to law, the Township has deducted its proportionate share of the full amount of authorized school debt. The Township's statutory net debt as of December 31, 2018 is 1.095% compared to a statutory limit of 3.5%.

Exceptions to Debt Limits - Extensions of Credit

The debt limit of a municipality may be exceeded with the approval of the Local Finance Board, a State regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the municipality must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the municipality to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Local Finance Board to fund certain notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

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

School Debt Subject to Voter Approval

State law permits local school districts, upon approval of the voters, to authorize school district debt, including debt in excess of its independent debt limitation, by using the municipality's share of available borrowing capacity. If such debt be in excess of the school district debt limit and the remaining borrowing capacity of the municipality, the State Commissioner of Education and the Local Finance Board must approve the proposed authorization before it is submitted to the voters.

The Municipal Finance Commission (N.J.S.A. 52-27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or the occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist the efforts of restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A.40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U. S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U. S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A.17:9-41 et seq. or may invest directly in permitted investments. Municipalities are required to deposit their funds in interest bearing bank accounts or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency Obligations, certain short-term investment grade corporate obligations, commercial paper rated “prime”, certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency Obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Township has no investments in derivatives.

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

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

Tax anticipation notes are limited in amount by law and must be paid off in full by a municipality within one hundred twenty days after the close of the fiscal year in which they were issued. The Director has no authority over individual operating appropriations unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A.40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for the year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets, municipalities will have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service.

On July 13, 2010, P.L. 2010, C.44 was approved, effective for budget years following enactment (the 2011 budget for the Township) reducing the CAP on the property tax levy from 4% to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

The Township appropriation and tax levy increases for 2015 to 2019, inclusive, were in compliance with both "CAPS" taking into account applicable adjustments and without conducting a referendum to exceed the cap limits.

Miscellaneous Revenues

Section 26 of the Local Budget Law provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof with the exception of inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's fiscal year.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A.40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

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

$$\frac{\text{Levy required to balance budget}}{\text{Prior year's percentage of current tax collections (or lesser \%)}} = \text{Total taxes to be levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reduction resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See “ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure” herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

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. With minor exceptions, however, such appropriations must be included in full in the following year's budget. All emergency appropriations must be approved by the Director of the Division of Local Government Services.

The exceptions are certain enumerated quasi-capital projects such as ice, snow, and flood damage to streets, roads, and bridges, which may be amortized over three years, and tax map preparation, revisions of ordinances, and master plan preparations, which may be amortized over five years.

Appropriations Deferred to Subsequent Years

YEAR	DEFERRED TO FOLLOWING YEAR	DEFERRED MORE THAN ONE YEAR
2018	$-0-	$-0-
2017	-0-	-0-
2016	-0-	-0-
2015	-0-	-0-
2014	-0-	-0-

Budget Transfers

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

Fiscal Year

The Township's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A.40A:4-3.1) required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A.40A:4-3.1 was amended by P.L.2000, Ch. 126, to eliminate the criteria for a mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, Ch.92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Township did not meet the criteria to change to the State fiscal year and does not presently intend to change its fiscal year in the future.

Budget Process

Primary responsibility for the Township's budget process lies with the Township Committee. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Township operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Township may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM

In accordance with Sections 43 to 45 of the Local Budget Law and Sections 5:30-4.1 et seq. of the New Jersey Administrative Code, each municipality must adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. The capital budget, when adopted, does not constitute the authorization of a capital project, the appropriation of funds or the authorization of debt; rather, it sets forth proposed capital projects with an estimated completion schedule and proposed sources of funding. Specific authorization to undertake capital projects, appropriate funds and incur indebtedness must be provided by other actions of the governing body: by a bond ordinance, by inclusion in the Capital Improvement section of the operating budget, by a capital ordinance (appropriating funds previously provided for capital projects, but not authorizing debt) or other lawful means such as appropriating grant funds. No bond ordinance may be adopted unless the project for which it authorizes debt is included in the municipality's capital budget.

A capital improvement program, setting forth a multi-year plan for capital projects and their financing, must be adopted at the same time as the capital budget. The capital budget is the first year of the Capital Improvement Program. Municipalities with populations less than 10,000 must provide a minimum three-year program; municipalities with populations over 10,000 must provide a six-year program.

SUMMARY OF THE 2019 CAPITAL BUDGET

2019 Capital Program:

Total Estimated Project Costs			$	2,900,000
Planned Funding:				
Capital Improvement Fund	$	145,000		
Debt to be Authorized		2,755,000		
			$	2,900,000

Six Year Capital Program:

Total Estimated Project Costs:				
2019	$	2,900,000		
2020		1,655,000		
2021		1,755,000		
2022		1,203,000		
2023		713,000		
2024		855,000		
Total			$	9,081,000
Planned Funding:				
Capital Improvement Fund	$	454,050		
Debt to be Authorized		8,626,950		
			$	9,081,000

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Township, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of $10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, 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. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

The last all-inclusive tax sale of unpaid delinquent taxes and assessments was held by the Township on April 18, 2019.

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

In response to the $10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Phil Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately available to pay debt service. On June 13, 2019, the Internal Revenue Service (the "IRS") issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The Township makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Union County Tax Board on or before the first day of April of the current tax year for review. The Union County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Union County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or, with the permission of the Local Finance Board, may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding $100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

THE LOCAL FISCAL AFFAIRS LAW (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The governing body of every local unit must cause an annual, independent audit of the local unit's accounts for the previous year to be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published at least once in a local newspaper within 30 days after the clerk of the local unit shall have received the audit. (The entire annual audit report is filed with the Township Clerk and is available for review during business hours.)

The chief financial officer of every local unit must file annually with the Director, a verified statement of the financial condition of the local unit as of the close of each fiscal year.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States.

Noncompliance by the Township with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. For other Federal tax information, see "TAX MATTERS - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

STATEMENT OF LITIGATION

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Township is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Township Attorney, would adversely impair the Township's ability to pay its bondholders. All of the Township's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members). Pending municipal real estate tax appeals are limited in number and, based upon the Township's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Township, such resolution would not impair the Township's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

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

RATING

The Township has applied for a rating on the Bonds from S&P Global Ratings, acting through Standard & Poors Financial Services, LLC (the “Rating Agency”).

UNDERWRITING

The Bonds will be purchased at public sale from the Township for resale by the purchaser (the "Underwriters").

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Township shall furnish a certificate of the Township Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township or adversely affect the power of the Township to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon without limitation as to rate or amount.

Such firm has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See Appendix B, "Proposed Form of Bond Counsel Opinion."

Certificate of Borough Officials

The original purchaser of the Bonds shall also receive a certificate dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer and the Township Clerk certifying that (a) as of the date of the Official Statement furnished by the Township in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Township is not guaranteed as to accuracy, completeness or fairness, such officers have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officers, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the Township and no material adverse change in the general affairs of the Township or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by or which should have been supplied by the successful bidder for the Bonds. In addition, the original purchaser of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and a certificate dated as of the date of delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Township nor the title of any of the officers of the Township to their respective offices is being contested.

SECONDARY MARKET DISCLOSURE

The Township has agreed, pursuant to a resolution adopted on August 13, 2019, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB. Specifically, the Township will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Township's fiscal year (presently December 31), commencing with the report for the fiscal year ending December 31, 2019, provide or cause to be provided, annual financial information with respect to the Township consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Township and (ii) certain financial information and operating data consisting of information concerning the Township's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation, budget and fund balance of the type contained under the heading "Financial Information" herein. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds or financial obligations of the Township:

(1) Principal or interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to the rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property which secures the repayment of the Bonds, if material;

(11) Rating changes;

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

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Township, any of which affect Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Township, any of which reflect financial difficulties. The Township intends the words used in paragraphs (15) and (16) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

(C) Provide or cause to be provided, in a timely manner, notice of a failure of the Township to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

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

The Township reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Township no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

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

The Township has previously entered into continuing disclosure undertakings under Rule 15c2-12. The Township has appointed Phoenix Advisors, LLC, Bordentown, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information with the MSRB's Electronic Municipal Market Access Dataport ("EMMA") as required under its obligations.

MISCELLANEOUS

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

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

ADDITIONAL INFORMATION

Additional information may be obtained on request from the office of the Chief Financial Officer, Diane Sherry, Municipal Building, 100 Mountain Avenue, Springfield, New Jersey 07081, telephone (973) 912-2279.

PREPARATION OF OFFICIAL STATEMENT

Suplee, Clooney & Company assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in the Independent Auditor's Report.

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

APPROVAL OF OFFICIAL STATEMENT

The Township Committee has adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer and the Township Clerk to deliver a reasonable number of copies thereof in final form to the original purchaser of the Bonds for its use in the sale, resale or distribution of the Bonds.

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

TOWNSHIP OF SPRINGFIELD

By:/s/________________________
Diane Sherry
Chief Financial Officer

By:/s/________________________
Linda M. Donnelly
Township Clerk

Dated:

APPENDIX A

FINANCIAL STATEMENTS OF THE

TOWNSHIP OF SPRINGFIELD

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
Telephone 908-789-9300 Fax 908-789-8535
E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Springfield
County of Union
Springfield, New Jersey 07081

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Springfield, as of December 31, 2018 and 2017, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's regulatory 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 regulatory 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 an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Springfield 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 the various individual funds and account group of the Township of Springfield as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended of the statement of revenues or statement of expenditures for the year ended December 31, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2018 and 2017, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2018 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 15 to the basic financial statements, during the fiscal year ended December 31, 2018, the Township adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2019 on our consideration of the Township of Springfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Springfield's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Warren M. Korecky
Warren M. Korecky, C.P.A., R.M.A.

August 5, 2019

TOWNSHIP OF SPRINGFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2018		BALANCE DECEMBER 31, 2017
A S S E T S				
Cash- Treasurer	$	13,955,564.30	$	14,273,424.38
Cash-Collector		1,046,801.53		2,876,621.24
Change Fund		400.00		400.00
Due from State of New Jersey Per Chapter 20, P.L. 1971 - Senior Citizens and Veterans Deductions		2,972.57		1,687.64
Grants Receivable		702,195.06		968,444.49
		15,707,933.46		18,120,577.75
Receivables and Other Assets with Full Reserves:				
Delinquent Property Taxes Receivable		526,851.01		520,808.34
Revenue Accounts Receivable		16,676.59		79,557.98
Prepaid Local District School Tax		124,990.00		124,987.00
Interfunds Receivable		20,188.76		572,232.78
		688,706.36		1,297,586.10
	$	16,396,639.82	$	19,418,163.85
LIABILITIES, RESERVES AND FUND BALANCE				
Liabilities:				
Redemption of Outside Liens	$		$	1,590.00
Appropriation Reserves		1,625,600.38		1,372,133.20
Prepaid Taxes		381,290.18		4,728,182.89
Interfunds Payable		6,566,153.02		3,692,126.39
Encumbrances Payable		737,603.26		1,271,473.65
Accounts Payable		130,947.03		14,070.00
Reserve for:				
Insurance Damages		94,245.71		114,766.16
Due State of New Jersey				54,393.12
Sale of Municipal Assets		60,585.67		170,694.33
Tax Appeals		151,109.19		461,248.26
Grants - Appropriated		1,008,187.63		1,342,625.93
Grants - Unappropriated		82,960.00		74,954.03
Hurricane Sandy Damages		10,780.42		10,780.42
C.O.A.H.		10,911.00		10,911.00
County Taxes Payable		15,847.94		38,031.13
Special Improvement District Payable		5,000.00		4,999.74
		10,881,221.43		13,362,980.25
Reserve for Receivables		688,706.36		1,297,586.10
Fund Balance		4,826,712.03		4,757,597.50
	$	16,396,639.82	$	19,418,163.85

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

TOWNSHIP OF SPRINGFIELD

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	YEAR 2018	YEAR 2017
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Utilized	$ 3,454,143.00	$ 3,450,000.00
Receipts from Delinquent Taxes	509,120.98	485,285.58
Receipts from Current Taxes	78,695,180.23	76,522,316.36
Miscellaneous Revenue Anticipated	4,593,050.88	4,574,435.52
Non-Budget Revenue	514,689.72	495,955.32
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,117,050.14	766,752.95
Accounts Payable Cancelled		50.34
Interfunds Returned	552,044.02	186,961.84
Net Grants Cancelled	151,734.55	
Due State Cancelled	54,393.12	
Statutory Excess Due from Animal Control Trust Fund	833.67	
Total Income	89,642,240.31	86,481,757.91
EXPENDITURES		
Budget and Emergency Appropriations (Within "CAPS"):		
Operations (Including Contingent)	22,151,022.52	21,940,661.83
Deferred Charges and Statutory Expenditures Municipal	2,756,231.66	2,490,617.00
Budget (Excluded from "CAPS"):		
Operations	4,403,290.54	4,145,619.11
Capital Improvements	225,000.00	300,000.00
Municipal Debt Service	2,538,681.96	2,244,589.35
County Taxes	14,317,499.60	13,266,592.85
Due County for Added and Omitted Taxes	15,630.43	37,813.62
Local District School Tax	39,443,929.00	38,707,447.00
Special Improvement District Taxes	267,694.07	267,901.01
Refund of Prior Year's Revenue		1,241.00
Reserve for Prepaid School Tax	3.00	
Total Expenditures	86,118,982.78	83,402,482.77
Excess in Revenue	3,523,257.53	3,079,275.14
FUND BALANCE		
Balance, January 1	4,757,597.50	5,128,322.36
	8,280,855.03	8,207,597.50
Decreased by:		
Utilized as Anticipated Revenue	3,454,143.00	3,450,000.00
Balance, December 31	$ 4,826,712.03	$ 4,757,597.50

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

TOWNSHIP OF SPRINGFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2018		BALANCE DECEMBER 31, 2017
A S S E T S				
Animal Control Fund:				
Cash	$	59,362.40	$	58,100.57
		59,362.40		58,100.57
Other Funds:				
Cash		3,900,714.45		3,689,974.39
Due Current Fund				174,258.51
Due Swimming Pool Utility Fund		75.00		75.00
		3,900,789.45		3,864,307.90
	$	3,960,151.85	$	3,922,408.47
LIABILITIES, RESERVES AND FUND BALANCE				
Animal Control Fund:				
Due State of New Jersey	$	21.40	$	56.20
Reserve for Animal Control Expenditures		15,197.76		14,734.80
Due Current Fund		143.24		43,309.57
Due Capital Fund		44,000.00		
		59,362.40		58,100.57
Other Funds:				
Due to Current Fund		4,214.24		
Due General Capital Fund		37,366.98		37,366.98
Reserve for Unemployment Compensation Insurance		207,335.73		178,879.12
Reserve for Community Development Block Grant Fund		1.16		1.16
Various Reserves and Deposits		1,768,315.45		1,954,016.50
Reserve for Special Law Enforcement		77,004.72		48,821.09
Reserve For Federal Law Enforcement		402,139.90		454,590.80
Reserve for Justice Account		23,742.39		23,447.62
Reserve for Affordable Housing		286,852.61		234,760.54
Reserve for Medical Costs		95,336.80		102,115.21
Reserve for Compensated Absences		396,607.99		243,662.07
Reserve for Snow Removal		210,165.71		197,615.09
Reserve for Red Light Camera Escrow		25.14		11.58
Reserve for Flexible Spending		5,180.17		6,967.07
Reserve for Police Outside Overtime		381,337.74		376,890.35
Trust Surplus		5,162.72		5,162.72
		3,900,789.45	$	3,864,307.90
	$	3,960,151.85	$	3,922,408.47

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

TOWNSHIP OF SPRINGFIELD

TRUST FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance, December 31, 2018 and December 31, 2017	$	5,162.72

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

TOWNSHIP OF SPRINGFIELD

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2018		BALANCE DECEMBER 31, 2017
A S S E T S				
Cash	$	447,326.69	$	859,561.24
Deferred Charges to Future Taxation:				
Funded		7,435,000.00		8,765,000.00
Unfunded		20,810,589.96		16,830,258.96
Due Current Fund		4,976,603.50		2,643,767.88
Due Trust Fund		37,366.98		37,366.98
Due Animal Control Trust Fund		44,000.00		
Due Swimming Pool Utility Capital Fund		2,038,138.89		698,138.89
	$	35,789,026.02	$	29,834,093.95
LIABILITIES, RESERVES AND FUND BALANCE				
Contracts Payable	$	1,943,192.88	$	619,686.65
General Serial Bonds		7,435,000.00		8,765,000.00
Bond Anticipation Note		19,037,602.00		15,521,271.00
Improvement Authorizations:				
Funded		488,013.58		499,696.93
Unfunded		5,904,625.27		3,515,151.08
Capital Improvement Fund		334,879.25		404,879.25
Reserve for Fire Truck		130,000.00		110,000.00
Reserve for Planning Study for Downtown Redevelopment		9,377.75		9,377.75
Fund Balance		506,335.29		389,031.29
	$	35,789,026.02	$	29,834,093.95

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

TOWNSHIP OF SPRINGFIELD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance, December 31, 2017	$	389,031.29
Increased by:		
Premium on Sale of Bond Anticipation Notes		217,304.00
	$	606,335.29
Decreased by:		
Current Fund Anticipated Revenue		100,000.00
Balance, December 31, 2018	$	506,335.29

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

TOWNSHIP OF SPRINGFIELD

SWIMMING POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2018	BALANCE DECEMBER 31, 2017
A S S E T S		
Operating Fund:		
Cash	$ 133,129.27	$ 309,843.20
Due Current Fund	55,779.64	
Due Swimming Pool Capital Fund	138,020.49	137,594.98
	326,929.40	447,438.18
Capital Fund:		
Cash	431,169.68	144,691.06
Fixed Capital	2,426,408.39	1,807,287.69
Fixed Capital Authorized and Uncompleted	3,104,386.13	3,723,506.83
Due Current Fund	1,532,500.00	874,100.00
	7,494,464.20	6,549,585.58
	$ 7,821,393.60	$ 6,997,023.76
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund:		
Liabilities:		
Appropriation Reserves	$ 37,419.79	$ 10,813.73
Encumbrances Payable	43,984.01	83,882.59
Accrued Interest on Notes	6,761.61	11,620.16
Due Current Fund		13,361.81
Due Trust Other Fund	75.00	75.00
Fund Balance	238,688.99	327,684.89
	326,929.40	447,438.18
Capital Fund:		
Improvement Authorizations:		
Funded	2,530.84	2,530.84
Unfunded	93,637.40	292,345.06
Bond Anticipation Note Payable	2,766,500.00	1,508,100.00
Down Payment On Improvements	49.28	49.28
Capital Improvement Fund	58,243.89	243.89
Due General Capital Fund	2,038,138.89	698,138.89
Due Swimming Pool Utility Operating Fund	138,020.49	137,594.98
Reserve for Amortization	947,608.87	947,608.87
Reserve for Deferred Amortization	1,235,804.42	1,160,804.42
Contracts Payable	208,860.92	1,797,100.15
Fund Balance	5,069.20	5,069.20
	7,494,464.20	6,549,585.58
	$ 7,821,393.60	$ 6,997,023.76

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

TOWNSHIP OF SPRINGFIELD

SWIMMING POOL CAPITAL UTILITY FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

Balance, December 31, 2018 and December 31, 2017	$ 5,069.20

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

TOWNSHIP OF SPRINGFIELD

SWIMMING POOL UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE - REGULATORY BASIS

		YEAR 2018		YEAR 2017
REVENUE AND OTHER INCOME REALIZED				
Fund Balance	$	213,211.00	$	140,055.00
Fees		488,847.00		456,246.70
Rental		96,489.73		77,929.43
Miscellaneous		19,020.50		25,277.25
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves		11,914.87		10,420.85
Cancellation of Accounts Payables		943.00		
		830,426.10		709,929.23
EXPENDITURES				
Operating		526,511.00		478,055.00
Capital Outlay		58,000.00		58,000.00
Debt Service		99,000.00		68,000.00
Statutory Expenditures		22,700.00		17,000.00
Total Expenditures		706,211.00		621,055.00
Excess in Revenue		124,215.10		88,874.23
Fund Balance				
Balance, January 1		327,684.89		378,865.66
		451,899.99		467,739.89
Less:				
Fund Balance Utilized		213,211.00		140,055.00
Balance, December 31	$	238,688.99	$	327,684.89

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

TOWNSHIP OF SPRINGFIELD

PUBLIC ASSISTANCE FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2018		BALANCE DECEMBER 31, 2017
A S S E T S				
Cash	$	9,649.04	$	9,812.92
TOTAL ASSETS	$	9,649.04	$	9,812.92
LIABILITIES AND RESERVE				
Reserve for Expenditures	$	9,649.04	$	9,812.92
TOTAL LIABILITIES AND RESERVES	$	9,649.04	$	9,812.92

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Springfield is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Springfield include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Springfield, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township of Springfield do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Township of Springfield conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and 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 financial transactions and accounts of the Township of Springfield are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created

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

Swimming Pool Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned swimming pool

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting polices and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is recorded on the cash basis, whereas interest on utility indebtedness is recorded on the accrual basis.

Encumbrances/Contracts Payable - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable in the operating funds and contracts payable in the capital funds. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its fair market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as a gain or loss on disposal in the year of sale.

Interfunds - Interfunds receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Another credit to 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 for interfund balances.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - New Jersey Administrative Code (N.J.A.C. 5:30-5.6), Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of $5,000.00 or more per unit. 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.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported 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.

Fixed Capital - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Swimming Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the “Reserve for Amortization” and “Deferred Reserve for Amortization” accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventory is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

GASB has also approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be approved as a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Springfield had the following cash and cash equivalents reported at December 31, 2018:

Fund Type	Bank Balance	Reconciling Items Additions	Reconciling Items Deletions	Reconciled Balance
Current Fund	$14,126,567.30		$171,003.00	$13,955,564.30
Animal Control Trust Fund	59,332.40	$30.00		59,362.40
Other Trust Fund	3,930,143.21	296.66	29,725.42	3,900,714.45
General Capital Fund	504,494.94		57,168.25	447,326.69
Swim Pool Utility:				
Operating Fund	138,163.89		5,034.62	133,129.27
Capital Fund	431,670.03		500.35	431,169.68
Public Assistance Fund	9,649.04			9,649.04
TOTAL DECEMBER 31, 2018	$19,200,020.81	$326.66	$263,431.64	$18,936,915.83

Custodial Credit Risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, $250,000.00 was covered by Federal Depository Insurance and $18,950,020.81 was covered under the provisions of NJGUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 *et seq*., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:

a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

b. the custody of collateral is transferred to a third party;

c. the maturity of the agreement is not more than 30 days;

d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

e. A master repurchase agreement providing for the custody and security of collateral is executed.

The Township of Springfield had no investments outstanding at December 31, 2018.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township generally is not exposed to credit risk, custodial credit risk, concentration of credit risk and interest rate risk for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNCIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All 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, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond and note transactions for the year ended December 31, 2018 are detailed on Exhibits “C-9", “C-10” and “D-9".

NOTE 3: MUNICIPAL DEBT

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT OPERATING DEBT AND TYPE II SCHOOL DEBT)

	YEAR 2018	YEAR 2017	YEAR 2016
Issued:			
General:			
Bonds and Notes	$26,472,602.00	$24,286,271.00	$24,078,770.00
Swim Pool:			
Notes	2,766,500.00	1,508,100.00	638,100.00
	29,239,102.00	25,794,371.00	24,716,870.00
Less:			
Funds Temporarily Held to pay Bonds and Notes	20,000.00	20,000.00	20,000.00
Net debt Issued	29,219,102.00	25,774,371.00	24,696,870.00
Authorized but not Issued			
General:			
Bonds and Notes	1,792,987.96	1,328,987.96	3,428,580.96
Swim Pool:			
Bonds and Notes	580,881.23	1,914,281.23	1,506,281.23
Total Authorized but not Issued	2,373,869.19	3,243,269.19	4,934,862.19
Net Bonds and Notes Issued and Authorized but not issued	$31,592,971.19	$29,017,640.19	$29,631,732.19

NOTE 3: MUNCIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.100%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$4,355,000.00	$4,355,000.00	$-0-
Swim Pool Utility Debt	3,347,381.23	2,470,305.83	877,075.40
General Debt	28,265,589.96	20,000.00	28,245,589.96
	$35,967,971.19	$6,845,305.83	$29,122,665.36

NET DEBT $29,122,665.36 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, $2,647,218,506.67 EQUALS 1.100%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis- December 31, 2018	$2,647,218,506.67
3-1/2% of Equalized Valuation Basis*	$92,652,647.73
Less: Net Debt, December 31, 2018	$29,122,665.36
Remaining Borrowing Power	$63,529,982.37

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

NOTE 3: MUNCIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SWIMMING POOL UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus		$604,357.23
Deductions:		
Operations and Maintenance	$549,211.00	
Debt Service	99,000.00	
Total Deductions		648,211.00
Excess/(Deficit) in Revenues Not Self-Liquidating		($43,853.77)

LONG TERM DEBT

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2018

CALENDAR	GENERAL		
YEAR	PRINCIPAL	INTEREST	TOTAL
2019	$740,000.00	$129,275.00	$869,275.00
2020	740,000.00	121,875.00	861,875.00
2021	740,000.00	113,550.00	853,550.00
2022	745,000.00	104,300.00	849,300.00
2023	745,000.00	89,400.00	834,400.00
2024	745,000.00	74,500.00	819,500.00
2025	745,000.00	59,600.00	804,600.00
2026	745,000.00	44,700.00	789,700.00
2027	745,000.00	29,800.00	774,800.00
2028	745,000.00	14,900.00	759,900.00
	$7,435,000.00	$781,900.00	$8,216,900.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

The General Improvement Bonds are comprised of the following issues:

ISSUE	OUTSTANDING BALANCE DECEMBER 31, 2018
$9,500,000.00 in Gen. Improvement Bonds dated December 15, 2016, due in remaining annual installments ranging between $740,000.00 and $745,000.00 beginning December 15, 2019 and ending December 15, 2028 with interest ranging between .875% and 2.00%	$7,435,000.00
Total	$7,435,000.00

SHORT TERM DEBT

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	Interest Rate	Date of Issue	Date of Maturity	Amount
General Capital	3.00%	8/3/2018	8/2/2019	$7,874,134.00
General Capital	3.00%	9/28/2018	9/27/2019	6,863,468.00
General Capital	3.50%	12/27/2018	12/27/2019	4,300,000.00
				$19,037,602.00
Swimming Pool Utility Capital	3.00%	8/3/2018	8/2/2019	$1,925,866.00
Swimming Pool Utility Capital	3.00%	9/28/2018	9/27/2019	840,634.00
				$2,766,500.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2018, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	$1,792,987.96
Swimming Pool Capital Fund	$ 581,281.23

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2018, which was appropriated and included as anticipated revenue in the annual budget for the year ending December 31, 2019, was as follows:

Current Fund	$3,400,000.00
Swimming Pool Operating Fund	$ 230,000.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	Balance December 31, 2018	Balance December 31, 2017
Prepaid Taxes	$381,290.18	$4,728,182.89

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

Public Employees' Retirement System *(PERS)* - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2018, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2018, the State contributed an amount less than the actuarially determined amount. During 2018, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to $2,260,662.56 for 2018, $2,000,517.00 for 2017 and $2,092,915.76 for 2016.

Certain employees are also covered by Federal Insurance Contribution Act.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2018. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2018.

Public Employees Retirement System (PERS)

At June 30, 2018, the State reported a net pension liability of $12,192,651.00 for the Township of Springfield's proportionate share of the total net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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 employers, actuarially determined. At June 30, 2018, the Township's proportion was 0.0619246300 percent, which was an decrease of 0.0010235867 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of $808,304.00 for the Township of Springfield's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2018 billing was $583,148.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	$ 62,869.00	$ 232,516.00
Changes of assumptions	3,898,561.00	2,009,147.00
Net difference between projected and actual earnings on pension plan investments	114,368.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	348,268.00	821,450.00
	$ 4,424,066.00	$ 3,063,113.00

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2019	$179,259.40
2020	($22,525.60)
2021	($745,511.60)
2022	($633,616.60)
2023	($138,558.60)
	($1,360,953.00)

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	June 30, 2018	June 30, 2017
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Through 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.00 Percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and June 30, 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease 4.66%	At Current Discount Rate 5.66%	1% Increase 6.66%
Township's proportionate share of the pension liability	$15,330,854.00	$12,192,651.00	$9,559,900.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

Police and Firemen's Retirement System (PFRS)

At June 30, 2018, the State reported a net pension liability of $26,316,080.00 for the Township of Springfield's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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 employers, actuarially determined. At June 30, 2018, the Township's proportion was 0.1944780020 percent, which was a increase of 0.0054445434 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State recognized an actuarially determined pension expense of $2,436,395.00. The pension expense recognized in the Township's financial statement based on the April 1, 2018 billing was $1,672,981.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	$ 108,902.00	$ 267,732.00
Changes of assumptions	6,744,357.00	2,258,881.00
Net difference between projected and actual earnings on pension plan investments	143,973.00	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	599,394.00	1,764,872.00
	$ 7,596,626.00	$ 4,291,485.00

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

Year Ended June 30	Amount
2019	$ 459,416.60
2020	(529,822.40)
2021	(1,901,267.40)
2022	(1,137,019.40)
2023	(196,448.40)
	$ (3,305,141.00)

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

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

	June 30, 2018	June 30, 2017
Inflation	2.25 Percent	2.25 Percent
Salary Increases (based on age)		
Through 2026	2.10-8.98 Percent	2.10-8.98 Percent
Thereafter	3.10-9.98 Percent	3.10-9.98 Percent
Investment Rate of Return	7.00 Percent	7.00 Percent

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.51% and 6.14% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease 5.51%	At Current Discount Rate 6.51%	1% Increase 7.51%
Township's proportionate share of the PFRS pension liability	$35,220,807.00	$26,316,080.00	$18,971,302.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

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

At June 30, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is $645,238.00 and $643,190.00 respectively.

At June 30, 2018, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	$26,316,080.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	3,574,604.00
	$29,890,684.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 7: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 8: SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred by statute, resulting in the school taxes prepaid set forth in the Current Fund liabilities as follows:

	Local District School Tax	
	Balance December 31, 2018	Balance December 31, 2017
Balance of Tax	$19,782,209.00	$19,411,743.00
Deferred	19,907,199.00	19,536,730.00
Tax Prepaid	($124,990.00)	($124,987.00)

NOTE 9: COMPENSATED ABSENCES

Under the terms of various contracts, employees are compensated for unused sick and vacation time. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Township to be $2,082,983.78. The Township appropriates annually the amounts required to be paid in any fiscal year in that year's budget and no liability is accrued at December 31, 2017. The Township has accumulated $396,607.99 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2018 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has made provision, from budget appropriations, in the amount of $151,109.19 for these appeals in the event tax reductions are granted.

NOTE 11: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2018, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss relative to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of activity for the Township's expendable trust fund for the current and previous two years:

Year	Contributions	Interest	Amount Reimbursed	Ending Balance
2018	$48,361.26	$2,006.36	$21,911.01	$207,335.73
2017	$10,000.00	$1,364.86	$30,764.46	$178,879.12
2016	$35,000.00	$385.31	$21,066.98	$198,278.72

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2018:

Fund		Interfund Receivable		Interfund Payable
Current Fund	$	20,188.76	$	6,566,153.02
Animal Control Fund				44,143.24
Trust Other Fund		75.00		41,581.22
General Capital Fund		7,096,109.37		
Swim Pool Utility Operating Fund		193,800.13		75.00
Swim Pool Utility Capital Fund		1,532,500.00		2,176,159.38
Net Payroll Account				15,831.28
Payroll Agency Account		1,269.88		
	$	8,843,943.14	$	8,843,943.14

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. Interfund balances are expected to be liquidated within one year.

NOTE 14: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company and Metropolitan Life Insurance.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Contributions

The Township's contributions to SHBP for the years ended December 31, 2018, 2017 and 2016 were $1,679,516.64, $1,645,400.22 and $1,543,146.09 respectively, which equaled the required contributions for each year.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total OPEB Liability

At June 30, 2018, the Plan reported a liability of $21,178,604.00 for the Township's proportionate share of the collective net OPEB liability. The total OPEB liability measured as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The Township's proportion of the OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018.

At June 30, 2018, the Township's proportion was 0.135183 percent, which was an increase of 0.005556 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the State reported OPEB expense of $824,262.00. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		$4,300,012
Changes of assumptions		5,372,230
Net difference between projected and actual earnings on OPEB plan investments	$11,192	
Changes in proportion	1,105,213	3,081,762
	$1,116,405	$12,754,004

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2019	($1,813,907)
2020	($1,813,907)
2021	($1,813,907)
2022	($1,815,089)
2023	($1,817,001)
Total Thereafter	($2,563,789)
	($11,637,599)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	June 30, 2018	June 30, 2017
Inflation rate	2.50%	2.50%
Salary increases*.		
Through 2026	1.65% to 8.98%	1.65% to 8.98%
Thereafter	2.65% to 9.98%	2.65% to 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan — the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0% The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Township's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability associated with the Township as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the OPEB liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% Decrease (2.87%)	At Discount Rate (3.87)	1.00% Increase (4.87%)
Township's proportionate share of the OPEB Liability	$25,140,531	$21,178,604	$18,035,966

Sensitivity of the Township's Proportionate Share of the OPEB Liability to Changes in Healthcare Trends

The following presents the total OPEB liability associated with the Township as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Township's proportionate share of the OPEB Liability	$17,417,354	$21,178,604	$26,173,499

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

At June 30, 2018 and 2017, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is $14,651,189.00 and $20,617,868.00 respectively.

At June 30, 2018, the Township's and State of New Jersey's proportionate share of the OPEB liability were as follows:

Township's proportionate share of the OPEB Liability	$21,178,604
State of New Jersey's proportionate share of OPEB Liability associated with the Township	14,651,189
	$35,829,793

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through August 5, 2019 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no subsequent events needed to be disclosed.

APPENDIX B

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX B

[Proposed Form of Bond Counsel Opinion]

September ___, 2019

Township Committee
Township of Springfield
County of Union, New Jersey

Dear Committee Members:

We have acted as bond counsel in connection with the issuance of $11,455,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Township of Springfield, in the County of Union, a municipal corporation of the State of New Jersey (the "Township"). The Bonds are dated September 15, 2019 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each March 15 and September 15, commencing March 15, 2020 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on September 15 in each year, and bear interest at the rates per annum, as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2020	$650,000	%	2026	$ 990,000	%
2021	950,000		2027	990,000	
2022	950,000		2028	1,000,000	
2023	975,000		2029	1,000,000	
2024	975,000		2030	1,000,000	
2025	975,000		2031	1,000,000	

The Bonds maturing on or before September 15, 2026 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after September 15, 2027 are subject to redemption at the option of the Township prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after September 15, 2026, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Township determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Township, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to five bond ordinances adopted by the Township Committee of the Township on May 28, 2013 (Ord. No. 2013-08), May 13, 2014 (Ord. No. 2014-03), May 12, 2015 (Ord. No. 2015-11), June 14, 2016 (Ord. No. 2016-14) and November 5, 2018 (Ord. No. 2018-18, as amended by Ord. No. 2019-04 adopted on April 23, 2019) and resolutions adopted by the Township Committee of the Township on August 13, 2019.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Township of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Township in connection with the sale and issuance of the Bonds, or (ii) other documents of the Township delivered to the purchasers of the Bonds, and we take no responsibility therefor.

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

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Township has pledged its full faith and credit to the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Township with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC